Sixth Annual Pulp and Paper Number

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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RETAIL BUSINESS RECOVERS UNDER FARM PRICE LIST

Higher Rural Buying Power Is Already Evident in Many Parts

IMMIGRATION LARGER

Interest and Dividends from Bonds Will Be Higher for September—Collections Some Better

As a consequence of the recent radical improvement in the Western grain situation, and the continued shipments in unprecedented volume of the balance of last year's crop, which, at higher prices, is inducing a gradual rise in the volume of retail sales, business is taking a decidedly more optimistic view. There is a decline in the number of failures and a larger number of enquiries for future business in the basic industries.

A fortnight of ideal growing weather in the West has added literally millions to the value of the crop. in the filling out and ripening of grain which was considered to be in a precarious condition. Judging from the progress of the crop since the last government report was made, it is not at all unlikely that the wheat yield will go well over the 300,000,000 bushel mark, and the total value of the crop will be considerably above that of last year. Even at a lower estimate, the farmer will be in a better position that has been the case for some years. More money in the country means a greater building program, more implements purchased, a greater total of wages paid, and more money radiating through the community, improving business as it goes.

Livestock Situation Better

Another factor which is gradually improving the financial position of the farmer is the trend of the livestock markets. While business is quiet in many parts of the country, the aggregate volume of sales is much greater than at this time last year, and prices are only marginally lower. The sales of cattle this year to date aggregate 452,532, as against 434,704 for the same period last year, while sales of calves amounted to 185,996, as against 156,310 last year. This is an increase of nearly 10 per cent. in the sales of cattle and calves, which, in itself, means an increase in the farmers' revenue of more than $1,000,000. The total sales of hogs so far this year was 767,150, against 621,736 for the same period last year. The gross revenue from farm animals last year was $82,402,000. At the present rate of increase the figure should be over the $90,000,000 mark next year. This fact has significance in its bearing upon the increasing attention which is being paid to mixed farming in Western Canada.

Our Dollar at Par

While it is unwise to attach undue importance to the fact that the Canadian dollar has again touched par in New York, it is significant as an indication of the general commercial and financial situation. It is due in part, undoubtedly, to the marked improvement in the foreign trade position of the country, and to the big increase in wheat shipments. Another factor, however, is the flood of United States capital to Canada for investment. This is an extremely significant matter from the standpoint not only of the development of the country but of business as well. Increased foreign capital in the country cannot but mean better business ultimately, since we can assume that only a relatively small proportion of the capital is for purely speculative purposes.

Another favorable factor in the current business situation is the large amount of money which will be

(Continued on page 16)

Canadian Conditions

Car Loadings—Week ending Aug. 16—		
	1924	1923
	49,969	51,261— 2.5%
—Year to date—		
	1924	1923
	1,750,991	1,641,059+ 6.6%
Building—Seven Months—		
	1924	1923
	$60,127,695	70,812,822—15.0%
Bank Clearings—Seven Months—		
	1924	1923
	$8,837,193,771	$8,657,375,224+ 2.0%
Grain Movement—Year ending Aug. 1—		
	1923	1922 crop
	472,705,804	315,948,970+49.6%
Savings Deposits—Chart. Banks June—		
	1924	1923
	$1,189,018,091	$1,214,245,872—2.1%
Current Loans—By Banks, June		
	1924	1923
	$986,366,366	$1,065,854,729— 7.5%
Net Dominion Debt—July 31—		
	1924	1923
	$2,391,451,680	$2,403,235,609— 0.4%
Railway Earnings—Seven Months—		
	1924	1923
C.P.R.	$ 96,152,000	$ 93,069,000+ 3.3%
C.N.R.	134,849,228	136,732,873— 0.8%
Balance of Trade—12 Months, July—		
	1924	1923
Exp.	$1,079,048,299	$1,008,350,519+ 7.0%
Imp.	850,502,013	880,490,108— 3.4%
Bal.	228,546,286	127,474,511+79.3%

Canada Provides Service and Profit Goes to U. S.

The St. Catharines Standard tells of a St. Catharines vacationist back from a trip down the St. Lawrence, who reports a novel way one of the boat crew had of making a little extra money during the summer season at the expense of the Canadian post office department. Picture postcards to the number of twenty were purchased by the St. Catharines man and his wife, and when he went to the office on the boat to purchase stamps he was told politely not to bother with mailing them himself, it would be taken care of for him. It was. Payment of forty cents covered the postage.

On his return home, the St. Catharines man discovered that all the cards had been mailed from Ogdensburg, N. Y., at the one-cent American rate for postcards. The man on the boat had secured for himself twenty cents, and for the American government twenty cents, while the Canadian postal service was deprived of forty cents revenue.

This indicates how Canada may be actually losing revenue, because of the higher postal rate imposed in this country.

IDEAL WEATHER MATURING GRAIN IN FULL HEAD

Sunshine of Past Week of Inestimable Value to Western Canada

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG. — The outstanding feature in the progress of the Western crops towards maturity during the past three weeks has been the wonderful manner in which the heads have filled due to the general rains received and the cool weather that prevailed during the greater part of August. Considerable wheat has already been cut in Manitoba, Saskatchewan and Alberta, but harvesting will not be general in Manitoba and Saskatchewan until near the end of this week, and in Alberta a few days later. Outside of a few districts in the dry areas in Saskatchewan and Alberta, where the crops were severely damaged by the long drought during June and July, the general opinion of the 294 Free Press crop correspondents, who have sent in their reports, is that a considerable improvement has taken place, and barring further unforeseen accidents, the total yield will be larger than previous estimates for this year.

While quite a number of districts report having received a little frost on one or two occasions, it would appear to have been so light as to have done little or no damage to wheat or coarse grains, but did catch some of the flax fields. Rust is prevalent more or less in Southern Manitoba and South-eastern Saskatchewan, and while it is admitted that the yield will be reduced in a few districts, the damage is comparatively light, and largely confined to the late grain, and it appears that the wheat has won out in its race with the rust. Hail has also done some damage in a number of districts, but generally speaking, it has been confined to small strips, and while disastrous to the crops where it fell, the damage will have little effect on the total yield. A comparatively large number of districts in Saskatchewan and Alberta report that headers are being used, indicating that the crop is very short, and while a few are being purchased, many farmers are getting along with a home-made affair attached to a mower or binder. The rye harvest is practically completed, or will be within the next few days. Some threshing has already taken place; the yield is good and the grade the best. Considerable cutting of early sown barley has taken place but much of the later stuff will not be ready for another week or ten days. The heads are filling in excellent shape and a good average crop is looked for. The oats are also filling remarkably well, but this crop is late and much of it will not be ready for two or three weeks and some fear of frost is expressed. The late rains have caused weeds to grow rapidly and these are causing trouble in some districts. The flax crop, generally speaking, is a fair crop, but much of it is late and weedy, and some has been caught by frost.

The question was asked the correspondents what they thought the wheat yield would be, and the answers would indicate as follows: Manitoba, 22 bushels; Saskatchewan, 16 bushels, and Alberta, 18 bushels. There has been considerable land ploughed down that was seeded in both Saskatchewan and Alberta, but little in Manitoba from different causes but principally from the drought.

The rate of wages varies in different localities, but the average rate in the three provinces would appear to be about $3.25 per day, or for $40 per month for stooking, and $4 per day for threshing with board.

LaPAZ PRESIDENT RESIGNS; OPPOSES SHARE TRANSFER

Open Opposition to Activities of Consolidated American Company

RELOADERS DISMISSED

Pres. Wakefield Says He Was Deceived and Thought Men O. K.—Later Saw His Choices Were Bad

Since the publication in THE FINANCIAL POST of last week, of a criticism of the methods of Consolidated American Oil Companies methods, things have moved rapidly. President W. Wakefield has notified THE POST that he has dismissed every salesman of the variety complained of, and President Brooks of La Paz Oil has resigned as president and also as director; he says he did not approve of the deal La Paz made with Wakefield's company.

Mr. Wakefield was profuse in his regrets that such salesmen as those complained of by THE FINANCIAL POST, were chosen to carry out the business of his company. He said the fault was his. He made a mistake in judging the men. He did not know that they were reloaders, They had not been instructed to sell La Paz stock, but to simply arrange the exchange of shares.

Mr. Wakefield was critical of President Brooks of La Paz Oil for recommending some shareholders not to make the exchange of shares. He was glad to be able to say, however, that at a meeting he had just attended, Mr. Brooks had resigned.

Mr. Wakefield denied that the exchange of shares was just being worked to make money out of the exchange fees. To date only about $3,200 had been taken in. He said his company had a clean cut proposition and would carry it through as proposed.

However, since this interview there have been other facts coming to light to confirm the belief some shareholders hold, that their first guess was perhaps the right one. For instance the reloaders who have been approaching the La Paz shareholders to exchange, get a commission of 20 per cent. of the exchange fees. This is said to be contained in minutes of a meeting with La Paz board held last Thursday. A second fact is the strong attitude taken by Mr. Wakefield in regard to a shareholder who did not send along enough funds to pay for the exchange and who demanded his shares back. The letter which he received is quite strong. It reads:

"Out of over one thousand stockholders of La Paz you are the first, last and only one to make the exchange and then desire your stock and money back.

"We have sent our agent to see you and he reports that you remain of the same mind.

"Your $10 received on account of the exchange, although there is a balance due, is not sufficient to protect your La Paz. Before returning your La Paz and the money we want to put you on notice that if we do return it you will be barred from making this exchange at any future date.

"If you deem the expenditure of a small amount necessary, is too heavy to protect your stock you hold in La Paz you will probably not esteem that which has been given.

"We will await your answer to this communication and send you the cheque and stock providing you wish to lose all privileges now, or hereafter that are yours."

Very truly yours,
Consolidated American Oil Companies.
WM. WAKEFIELD,
General manager.

"You see I am threatened," said the shareholder. The point involved, loss of exchange rights, was a question concerning which THE POST asked Mr. Wakefield for some information. It was instanced that shares could be bought around 15 cents and exchanged for four new, which they

(Continued on page 5)

Canadian Built Paper Machine Sets Up Record

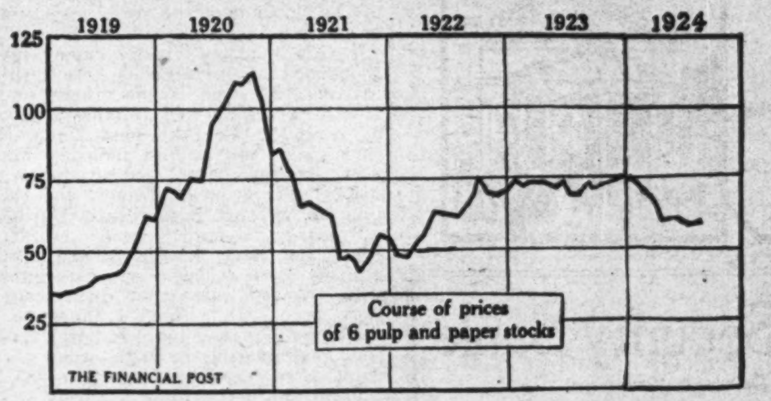
From Our Own Correspondent.

MONTREAL.—A new world's record for newsprint production was created on a new Canadian-built paper machine at Kenora, Ontario, which, on Saturday, August 9, produced 110.72 tons in one day of twenty-four hours.

The speed of the machine was 750 feet per minute, and the trim 219 ins. of newsprint of a basis weight 24 x 36 x 34, and the total loss of time was fourteen minutes, which was made up of ten minutes for shutdown at 7.50 a.m. Sunday morning, and four minutes for a broken control belt on calender drive. During the entire twenty-three hours and fifty minutes the paper did not break on the machine, and the efficiency, based on twenty-four hours' operation, was 99.1 per cent. The machine is driven by Harland electric drive. An interesting point is that this was the first day's run at 750 feet, the machine being started at 600 feet.

The machine was made in the plant of Dominion Engineering Works, a subsidiary of Dominion Bridge.

Market Record of Pulp and Paper Stocks



Canadian pulp and paper securities have, on the average, shown little movement for two years, the losses in some securities having been offset by gains in others. On the whole the tendency was downward during the past twelve months' period although recently there has been a noticeable improvement.

The progress and present position of the Canadian pulp and paper industry are thoroughly reviewed for the investor in the sixth annual pulp and paper supplement of THE FINANCIAL POST, appearing in connection with this issue.

$5,000,000 LOAN ON COLLIERIES IS ASKED BY BESCO

No Indication That Loan Presages Change of Control of Corporation

From Our Own Correspondent.

MONTREAL.—The new issue of Dominion Coal bonds, if authorized by preferred shareholders, will be only the second piece of financing effected by the British Empire Steel Corporation since it came into being as a merger of the various steel and coal-producing companies in Nova Scotia. Approval of the financing seems assured, and it may be taken for granted that fairly definite arrangements have been made for the sale of the bonds, if the issue is approved of by 51 per cent. of preferred stockholders.

Comment on the new financing was varied this week. Many felt that it was a constructive factor, giving indication of excellent credit standing for the British Empire Steel Corporation. On the other hand, it must be remembered that the properties have never been largely bonded, and that the Dominion Coal properties in particular have been kept very free of encumbrance.

There is no definite indication that the new financing presages a change in control of the corporation, although President Roy M. Wolvin is still believed to be willing to retire from the presidency, and to relinquish his holdings in British Empire Steel if satisfactory terms can be arranged.

Much Has Been Spent

Most of the money that has been spent on Besco properties since the merger has gone into the Dominion Coal plants. A new colliery has been erected and plans are afoot to bring into operation new coal-mining methods, to the end of reducing the cost of getting out the coal. The president's letter concerning the new issue points out that since Dominion Coal last issued bonds in 1905 there has been expended $13,000,000 in the acquisition of additional property and in development and improvement of the company's property and equipment.

"Over $2,000,000 of the bonds created in 1905 have been redeemed and cancelled, and debentures and mortgage obligations amounting approximately to $700,000 have also been discharged.

"Within the past 18 months expenditures on property account have exceeded $2,700,000, chiefly for the establishment and equipment of a colliery of the largest class, which is now producing coal and which is expected to have a life of 125 years. Tributary to it is an area estimated to contain 40,000,000 tons of coal."

Use for Working Capital

The money, while being raised by Dominion Coal, will help to improve the working capital position of the whole corporation, but will not be of much value in reorganizing and re-equipping the steel-producing plants which are not in as modern and efficient condition as the coal properties.

Authority is asked to create an issue of $15,000,000 of bonds. Evidently, $4,988,000 will be set aside to refund an equal amount of first mortgage bonds, though it is not planned that the first mortgage bonds will be redeemed through the sale of these bonds. An additional $5,000,000 of bonds will be sold at once, the proceeds to be applied to the payment of existing indebtedness to bankers and other floating liabilities, due to capital expenditures and to recoup the company's working capital.

The remainder of the issue, about $5,000,000, will be held in the treasury.

Shareholders are tempted to authorize the issue by the statement that "the policy of the board is to build up a reserve fund which might be drawn upon to pay dividends in years when the current earnings

(Continued on page 4)

FORDNEY TARIFF INEFFECTIVE ON ESSENTIAL GOODS

But Has Limited Imports of Our Commodities in Some Cases

The impossibility of restricting the importation of a product which is a vital necessity of the country concerned is illustrated by a table recently published by the Department of Trade. The table shows that while the import duty on certain products was raised by the United States twice recently, it was utterly ineffective in attempting to keep out those products which are required in the United States market. The case of wheat is an example. Wheat imports for the ten months ending with July, 1922, were valued at $16,650,661. During that year the tariff on wheat was fixed at 35 cents per bushel. Subsequent to September, 1922, it became 42 cents, after having been temporarily lowered to 30 cents. In spite of this, imports of wheat into the United States from Canada during the ten months ending with July this year rose to $19,756,484. In the case of butter, imports into the United States continued to rise despite two increases in the tariff.

The case is further proven, from the opposite angle, but a number of instances in which the lowering of the tariff failed to increase the volume of imports of particular commodities. The tariff was lowered on such products as beans, canned meats, etc., and the imports of certain grades of these commodities fell off notwithstanding.

While the Fordney-McCumber bill may not always have been effective in keeping out our products, it seems to be the general feeling that it succeeded in lowering the returns realized by the Canadian shipper, rather than in raising the price within the United States. In the case of certain Canadian products, such as cattle, the market is virtually limited to the United States and Canada, at the price which the Canadian shipper counts on getting. In such cases it would appear that the effect of the duties has been to oblige the Canadian product to seek other markets, probably at lower prices.

The following table shows the exports of some of the leading products from Canada to the United States, and also the tariff rates in operation at the time:

Commodity	Ten months ending July		
	1920	1922	1924
Wheat, bu.	2,387,876	13,997,813	21,047,000
Bacon, cwt.	8,667	1,070	4,210
Butter, lb.	10,206,131	2,695,566	5,636,870
Potatoes, bus.	5,780,004	1,698,985	408,210
Hay, tons	203,066	1,617	355,324
Wool, lb.	3,407,853	2,593,343	3,894,081
	Prior to May, 1921	May, 1921 to Sept., 1922	Since Sept.,1922
Wheat, bu.	Free	35c	42c
Bacon, cwt.	Free	25%	2c
Butter, lb.	2½c	6c	8c
Potatoes, bu.	Free	25c	50c 100 lb.
Hay, ton	$2	$2	$4
Wool, lb.	Free	...	...
Mutton, fresh	...	2½c	Higher
Lamb, fresh	...	4c	...

Two Large Drumheller Coal Mines Will Reopen

CALGARY.—Relieving in a certain measure the coal famine which threatens Alberta as a result of the deadlock between striking miners of district No. 18 and the operators, two mines in the Drumheller Valley are expected to resume operations immediately. It is understood these mines have arrived at individual agreements. Mines in the Carbon field, many of which have not yet come within the scope of the United Mine Workers of America, are now producing more coal than they have for years.

DAWES STRIKES OUT AT THE REDS AND SOCIALISTS

Says That Radicalism is Issue of Presidential Campaign

UNDER NO ILLUSION

Declares That Forces Marching under the Red Flag Must Be Met if Law and Order Are to Be Preserved

Special Correspondence.

PORTLAND, ME.—The presidential election campaign, which has much interest for Canadians, is now pretty well under way. To the people of Canada it is especially interesting because of the issues and the campaign methods employed. Issues that occupy the centre of the stage in the United States are very likely to have an important place in Canada.

The speech of General Dawes at Augusta on August 23 was probably the most important feature of the campaign so far. It was really his bow to the public insofar as campaigning is concerned. The event also disclosed to the public, better than anything else has done, what manner of man Dawes is. Both as director-general of the budget, which system he installed at Washington, and as the chief authority of the Dawes Committee report on the reparations problem, he has become pretty well known as a man of marked business ability. But not until he spoke at Augusta was it known definitely how he would shape up as a political figure.

It may be said without the slightest hesitation that he made good. One is inclined to think that as a virile character in American politics he will do far more to fill Roosevelt's place than anyone else since the latter passed off the scene. General Dawes has many things that go to make an effective public speaker. He has a good stage presence, is vigorous and fluent, with a splendid command of language. His thought indicates a mind of a high order and well trained. For directness of statement it would be difficult to beat him. He has positive opinions, and the courage to express them. He stands four-square on issues, has a contempt for cant and the tricks of the mere politician. Some have thought that in selecting a vice-presidential candidate from east of the Mississippi the Republicans made a serious mistake. They may have done so; but, since the president considers it well to stay at home, and as some one must do the fighting, no better man than Dawes could have been chosen.

Attacks Red Campaign

He is under no illusion respecting the real issues in the campaign. He comes right out and says it is rad-

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Reserve Fund 19,500,000
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UNION BANK OF CANADA
DIVIDEND No. 150

NOTICE is hereby given that a dividend at the rate of 8% per annum upon the Paid-up Capital of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Tuesday, the second day of September, 1924, to shareholders of record at the close of business on the 16th day of August next.

The Transfer Books will be closed from the 18th to the 30th day of August, both days inclusive.

By Order of the Board.
J. W. HAMILTON,
General Manager.
Winnipeg, July 17th, 1924.

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The dividends of experience

A woman with her husband's life insurance to live on, or the proceeds of the sale of the farm to re-invest—and no business or financial training to do it with — is headed pretty straight for the shrinking dividends of inexperience—

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Thrifty management will bring to her freedom from care and worry, assured comfort, and the Dividends of Experience, all of which may be obtained by the appointment as Executor and Trustee of your Estate of

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CANADIAN CAR LOADINGS

Revenue car loadings in Canada for the week ending Aug. 16 aggregated 49,969 cars, an increase over the previous week of 2,730 cars. Civic holiday undoubtedly depressed the loadings for the week ended Aug. 9. Grain showed an increase in the Eastern division, but no change in the Western division. Pulp and paper, merchandise and miscellaneous freight were also heavier for the Eastern division.

Compared with the corresponding week in 1923, car loadings were lighter by 1,292 cars. Cumulative loadings to date are 1,750,991, against 1,641,059 a year ago.

The Business Outlook

LARGER REVENUE BEING PRODUCED FROM FISHERIES

And Outlook is Better Than at Any Time Since 1918

The fishing industry in Canada is often overlooked when computations are being made of the various sources of revenue, especially in the interior, yet this industry was supporting thousands of our citizens before the existence of some of the others, and is still a steady and reliable source of revenue. For the past three or four years the fishing industry has been laboring under unsatisfactory market and price conditions, and the revenue fell off materially. During the current year, however, market conditions have improved, and the outlook is for a larger gross revenue from the fish catch than during any year since 1918. Chart 1 shows the decline which took place in total revenue, culminating in 1921, when the value of the catch was less than $35,000,000. Since that time a steady improvement has been in progress, and it is estimated that this year's catch may reach an aggregate value of $60 000,000.

Chart 2 indicates the number of men employed in the industry at the present time, and for the past five years. The total number employed at present is well above 80,000 when one takes into account the canning plants as well as the primary fishing operations. The industry thus supports well up to half a million people, and the betterment of the conditions of so large a group of people cannot be overlooked.

Chart 3 shows the relative importance of the fishing industry in the various provinces, and Chart 4, the value of the catch last year by kinds. It will be noted that the revenue realized by British Columbia is almost as great as that of all the other provinces combined. It is here that the great increase has taken place during the past three or four years, although the outlook for the Fraser River salmon industry is not particularly bright. Salmon, which is a British Columbia specialty, is shown in Chart 4 to be by far the most important Canadian fish.

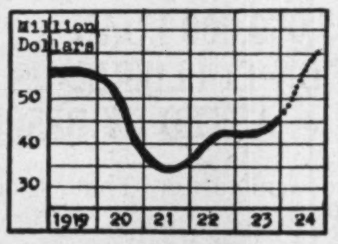
Statistics showing the total revenue from the fishing industry during the past six years, and the output of the past two years by provinces, follow:

Revenue From Fisheries

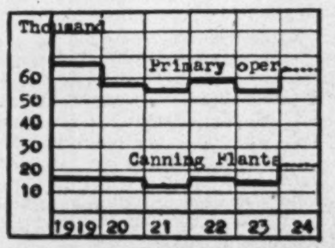
1918 ..	$60,250,544	1921 ..	$34,931,935
1919 ..	56,508,479	1922 ..	41,800,210
1920 ..	49,241,339	1923 ..	42,565,545

Revenue by Provinces

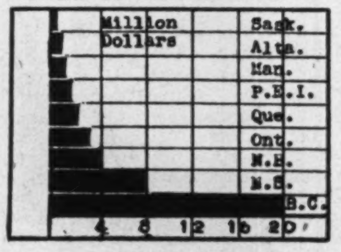
	1922	1923
Brit. Columbia ..	$18,849,658	$20,795,914
Nova Scotia	10,259,258	8,448,385
New Brunswick .	4,685,660	4,548,535
Ontario	2,858,122	3,159,427
Quebec	2,089,414	2,100,412
Prince Ed. Isl. .	1,612,599	1,754,980
Manitoba . . .	908,816	1,020,595
Alberta	331,239	438,737
Saskatchewan . .	245,337	286,643
	$41,800,210	$42,565,545



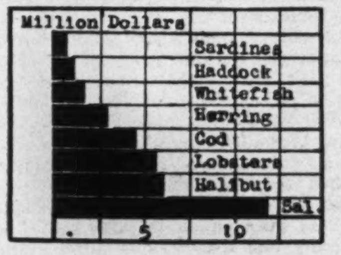
1.VALUE OF THE FISH CATCH



2.EMPLOYEES(Fishing & Canning)



3.FISH CATCH(by provinces) 1923



4.FISH CATCH(by kinds) 1923

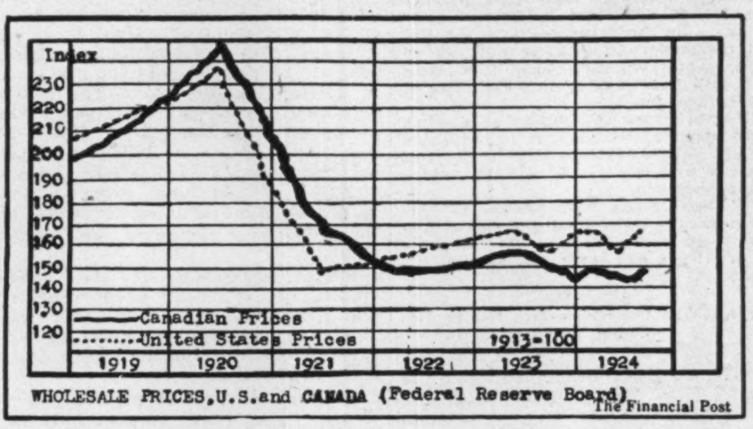
The Financial Post

Higher Prices in United States

The more or less continuous migration of Canadian citizens to the United States in search of higher wages or better opportunities, gives rise to the question of the relative price levels of the two countries. While it cannot be denied that wages are higher in most lines of business and industry in the United States, so also are the prices of many commodities higher. The Federal Reserve Board has made many valuable statistical investigations, notable among which are the studies of relative price levels. In the accompanying chart are two graphs illustrating the relative movements of prices in Canada and the United States. While it cannot be said that the two indexes on which the graphs are based, are entirely comparable, both are based on the prices during 1913 and at that time prices in the two countries were more similar than they are to-day. For practical purposes, therefore, the indexes and the graphs may be taken as a fairly accurate representation of the price situation in the two countries.

One of the interesting features of the chart is the similarity of the trend. Generally speaking, the changes take place in the United States before similar changes take place in Canada, so that the trend of wholesale prices in the United States may be considered a rough indicator of the later Canadian trend. In both countries, it will be noted, prices are now tending upward.

NEXT WEEK—EMPLOYMENT.



WHOLESALE PRICES,U.S.and CANADA (Federal Reserve Board)

The Financial Post

IMPORTANCE OF MANUFACTURING ON THE PRAIRIES

Income from Western Industry Half That of Farm Products

An analysis of the manufacturing industry in the western provinces, recently made by the Bureau of Statistics, is unusually interesting in view of the attitude taken by a large percentage of the citizens of Western Canada on tariff matters. While the West is usually thought of as being purely agricultural, the manufacturing industry is assuming large proportions. As shown in the accompanying table, the total value of the products of the manufacturing industries in the Western provinces during 1922 was $333,596,791. During the same year the total agricultural revenue from the West was $616,957,000. The value of the products of the manufacturing industries was thus considerably more than half of that of the farm products, a figure which is by no means negligible. Unfortunately it is impossible to compare the 1922 figure with that of previous years in order to get an idea of the trend, since the 1922 report omits the products of hand trades, repair shops, and custom clothing shops. The following table shows the important details of the study:

STATISTICS OF WESTERN MANUFACTURING INDUSTRIES

	Manitoba	Saskatchewan	Alberta
Number of establishments	768	606	652
Capital invested	$84,662,378	$30,268,144	$51,283,982
Salaried Employees	3,140	1,125	1,786
Salaries paid	5,718,577	1,814,007	3,053,175
Wage Employees	10,649	3,001	5,210
Wages paid	12,172,487	3,748,136	5,896,730
Cost of Materials	54,619,248	22,450,051	30,306,395
Value of Products	94,417,608	38,672,828	51,509,887

	Brit. Columbia	Total
Establishments	1,238	3,264
Capital Invested	200,192,904	366,407,408
Salaried Employees	3,363	9,414
Salaries Paid	6,350,165	16,935,924
Wage Employees	23,118	41,953
Wages Paid	24,390,613	46,207,968
Cost of Materials	80,749,935	188,125,629
Value of Products	148,996,468	333,596,791

FAVORABLE SIGNS IN U.S. BUSINESS

Slight Upward Trend Has Appeared in Buying and in Production

In the current issue of the "Bache Review" of New York, appears the following review of business conditions in the United States:

"While there has been no marked improvement in business, taken as a whole, and some trades show further falling off, there appears to be a slight upward trend in buying and producing. This is probably due to the fact that the general trend of prices, which has been downward since last March, in June seemed to have reached bottom and become stabilized for a time, and has now turned upward. It is this falling of prices, going on for some time, which checked buying, and now, with the belief prevailing that bottom has been reached, buying has begun again, with some indication that the movement will grow.

"Evidence of all this, however, is only thus far slight and accompanied by contrary symptoms. For instance, in the steel trade, some of the Middle Western trade authorities declare that steel has definitely turned the corner. They say that a 3 per cent. gain in the production of steel ingots has been made in the Chicago district since August 1st, when inquiries and orders for steel began to increase. A small increase for the industry as a whole, in the rate of steel ingot output, for the second week of this improvement, is reported by the Iron Age. This, however, is accompanied by yielding prices in important products.

"Railroads—the most important factor in the steel market next to building—have been coming in on a small but gradually increasing scale, and this improved railroad demand, which the Iron Age says has been talked of for weeks, but more as a hope than a definite expectation, is evidenced by orders and probable orders listed this week. One new blast furnace has been started up at Pittsburgh and another at Youngstown, both by independent steel companies.

"But all this is accompanied by concessions on plates, shapes, bars and wire products. The unfavorable feature, showing decline in building operations, is the falling off in structural steel work—weekly bookings for August falling below those in July by a sizeable percentage, and the volume of fresh projects appearing is averaging very considerably below those for July.

"One favorable sign is a small advance in the price of pig iron. In two weeks pig iron has advanced 17c. per gross ton, while steel has declined 28c. per net ton."

World Ships Before and After the Great War

The enormous impetus given to shipbuilding by the war has, as in many other lines, left the world over-equipped with ocean transportation.

In June, 1914, the gross tonnage of sea-going steel and iron steamships and motor ships owned by the principal maritime countries, amounted to 42,514,000 tons.

In June, 1924, these figures mounted up to 57,530,000 tons—an increase of 15,016,000 tons.

The steel tonnage is exclusive of one and a half million tons of wooden and composite steamers (of small importance in international trade) in existence at the present time.

Great Britain, in June, 1924, operated 18,917,000 tons. This is only 40,000 tons greater than the amount operated in June, 1914. British Dominions show an increase of 806,000 tons.

The greatest increase, amounting to nearly 10,000,000 tons, is shown in the case of the United States, their tonnage having increased from 1,837,000 in 1914 to 11,823,000 in 1924.

Tonnage in Germany has been increased recently, but, notwithstanding this, the report shows that Germany's tonnage at the present time is 2,242,000 less than in 1914, at which time its tonnage was 5,098,000, comparing with 2,856,000 to-day.

The only other maritime nation showing a decrease from the 1914 condition is Greece, whose tonnage has fallen from 820,000 tons in 1914, to 751,000 to-day.

In 1914, the United Kingdom owned nearly 44½ per cent. of the world's sea-going iron and steel ship tonnage. At the present time it owns 33 per cent.

The United States now takes second place in tonnage of the world, showing 20.5 per cent. of the total.

Henry Ford Big Timber Land Owner in Canada

Henry Ford is one of Canada's big timberland holders. He has acquired vast stretches of hardwood lands, chiefly in Ontario, to provide future supplies of raw materials for his factories in Detroit. In fact, Ford's timber purchases in Ontario had a lot to do with bringing into force that province's embargo on exports of unmanufactured hardwood. It was felt that Ford and other limit holders should be required, by such legislation, to build saw mills in Ontario to saw up their timber rather than be permitted to float it to American mills for manufacture.

Ford is studying conservation measures for his timberland holdings, but, despite the broad attention he gives to a number of public questions, has not yet taken up forest conservation except as it touches his own interests. He frankly admitted to a Canadian, who asked him the other day if he was interested in conservation, "Yes; for my own limits."

THAT WELL AT WAINWRIGHT

CALGARY.—British Petroleums Company's No. 3 well at Wainwright, Alta., is not a 500-barrel-a-day producer. Newton W. Emmens, field superintendent, states he was misquoted at the shareholders' meeting at Vancouver. What he said was that "he hoped to develop a 500-barrel well."

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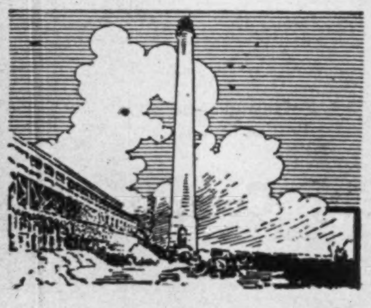

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Alberta Sale of Liquor Not Brisk as Expected

From Our Own Correspondent.

CALGARY.—Government sale of liquor in Alberta is not proving as profitable as expected. After the first three months of control, Commissioner Dunning says business is but meagre. The first few weeks were good. Returns show that Albertans prefer beer and it is rumored it is possible there may be an additional tax put on that commodity to make the revenue come up near the point expected.

MINERS REJECTED MURDOCK'S OFFER TO SETTLE STRIKE

Refused to Submit His Proposal to Vote of Men

LOSE PUBLIC SUPPORT

Miners Are Said to be Demanding Convention to Discuss Action of Their Leaders

From Our Own Correspondent.

CALGARY.—Hon. James Murdock, minister of labor, has failed in his effort to settle the coal miners' strike in Alberta and north-eastern British Columbia. He says the district officials of the miners gave a point-blank refusal to his suggestion that the miners here be placed on the same footing in point of hours as the miners in the United States competitive fields. This would mean a reduction in wages in Alberta amounting to approximately one-eighth of the scale they received prior to the strike on March 31 last.

Mr. Murdock states that the miners' officials here "have not a proper regard for the rights and interests of the public." The men's leaders refused to refer the matter to a referdum vote of the rank and file, and in so doing have entirely alienated any little public sympathy they might have had.

William Sherman, the president of District 18, and other officials, are boasting that they have the miners solidly behind them, but newspaper dispatches from various mining camps state that the miners are demanding a district convention to thoroughly discuss the situation. If one is called it is more than likely that the strike will be brought to a close. The men are heartily sick of the prolonged struggle and denounce in bitter language the action of their officials in breaking off negotiations with the minister of labor.

So far as local supplies are concerned there will be no shortage of coal even if the strife continues all winter, as non-union mines supply about 40 per cent. of the coal mined in the province even when the union mines are working. If the former worked to capacity they could increase their output enormously.

SOUTH AMERICA CORN TO CANADA THIS FALL

High American Prices Result in Heavy Shipments—Montreal Grain Exports High

From Our Own Correspondent.

MONTREAL.—Local shipping officials state that between now and the end of October nearly 2,000,000 bushels of South American corn in seven cargoes will be brought to Montreal for milling-feed purposes, owing to the present high price of the American product. The first shipment arrived the other day from the River Plate on the steamer Lord Byron, which then loaded up with Canadian wheat for a continental port.

Grain exports from the port of Montreal to date are still well ahead of last year's; the amount handled locally between the opening of navigation and the middle of August being in the neighborhood of 67,000,000 bushels, as against a little over 60,000,000 bushels in the corresponding period of last year.

An announcement of great interest to grain men is that the new elevator erected at Tarte Pier in the eastern end of the harbor by the Harbor Commissioners will have both the rail and water facilities entirely completed by the middle of September and that it will be in full operation by that time. The opening of this elevator adds 2,000,000 bushels to the storage capacity of the port of Montreal. It is one of the most up-to-date plants of its kind on the continent, and its capacity can be extended to an ultimate total of 14,000,000 bushels without alteration in the working-house. Owing to its location at the eastern end of the harbor it will tend to relieve congestion in the central and busier section. The machinery, which is of the latest design, will enable 28 railroad cars to be unloaded every hour, and 60,000 bushels from a vessel in the same time; while its eight conveyors can load five boats simultaneously at a rate of 120,000 bushels per hour. The entire plant is designed according to recently recognized principles of minimizing the hazards of dust explosion.

Greater Consumption of Dairy Products Locally

According to investigations just completed by the Dominion Bureau of Statistics, the consumption of both butter and cheese in Canada is increasing measurably. During 1921 the consumption was 226,640,667 lbs., or 25.79 per capita. This increased in 1922 to 234,377 859 lbs., or 26.14 per capita, and last year to 251,038,733 lbs., or 27.45 per head of the population. Cheese consumption rose from 22,033,846 lbs. in 1921 to 28,503,602 during 1923, or from 2.51 per capita to 3.12.

This increase in the consumption of dairy products in Canada is rather significant in view of the fact that Canada has had some difficulty in the past in disposing of her dairy products to advantage in competition with those of such countries as New Zealand and Denmark. It is gradually being found that there is a much larger market for these products within the North American continent than was apparent five years, or less, ago.

All Bootleggers Do Not Reach Millionaire Class

From Our Own Correspondent

SYDNEY.—Ald. W. H. Manson, as one of the creditors, has purchased for $60,000 all the real estate holdings of Fred T. Quirk, who recently became bankrupt. They include three lrage buildings, one of which, the Kendall block, was sold to Quirk in 1922 for $40,000—a forcible illustration of the deflation of property values by hard times and a forced sale. Quirk at the bankruptcy proceedings attributed his reverses to an unsuccessful attempt at rum running on the United States coast.

Unemployment Insurance Not Sound Legislative Proposal

Involves Relations Between Workers and Employers Too Intimate and Too Much Dependent on Individual Conditions to be Successfully Dealt With by Act of Parliament

By E. H. MORROW,
Department of Economics, University of Western Ontario.

Professor J. R. Commons, of the University of Wisconsin, in a valuable paper recently read to members of the British Association for the Advancement of Science, and in part copied in THE FINANCIAL POST on August 15, suggests a method for insuring workers against unemployment. The method which he advocates, and for which he claims far-reaching results, is based upon the agreement between the Amalgamated Clothing Workers of America and the Chicago Industrial Federation of Clothing Manufacturers. Mr. Commons, with justice, claims extraordinary results for the agreement in question.

During the course of the paper, reference is made to the Huber bill not long introduced into the Wisconsin legislature, a bill that embodies the principles of the Chicago agreement in an attempt to apply them to industry in Wisconsin. The Western States are notorious for their readiness to experiment in new legislation, and the present possibility on the part of Wisconsin can be welcomed as an opportunity for the rest of us to profit by an experience which, if not successful, will, we hope, be less disastrous than recent legal experiments tried out in neighboring states. On this occasion, however, the suggestion for remedying the worst of our industrial ills was made in Canada, before a gathering in which Canadians took a prominent part. Hence, as shown by the action of THE FINANCIAL POST, the apparent logic of the argument and reasonableness of the suggestions are receiving special attention in Canada, which is not immune from demands for some form of unemployment insurance.

The Wider Application

The question at issue is: Can principles which have proved successful in a highly concentrated, highly specialized but small and successful group of factories engaged in one industry, be applied by legal enactment to all industries over a large area such as Canada or Ontario? The paper evidently assumes that these principles are capable of legal enactment and will retain their original significance when enforced upon all industry indiscriminately. The assumption is apparently founded on the results of a single instance, and is hardly justified, particularly as the instance is effective only for a single industry in one city and under very peculiar circumstances which were not brought out in the discussion, but which will appear later.

There are to-day three basic forms of unemployment insurance for workers. There is first the insurance which may be either national or municipal, and is dispensed as needed in the form of doles, contributions, or organized relief work. This type is admittedly unsatisfactory as it is spasmodic, ineffective, and poorly organized. It is unequally distributed among both those who should receive assistance and those who should contribute. Secondly, we have state unemployment insurance. This form of insurance, which results from legal enactment, may be applied in many ways; it may be state-wide in its application, or it may be handled by industrial groups; the workers, the employers, or the state, may or may not contribute, of may do so in varying amounts. The significant feature of state insurance is that, according to law every man out of work (within the provisions of the act) is entitled to receive stated amounts from some central fund. No distinctions are made between the productive contributions of individual workers nor between employers as regards their liability for unemployment in the frequency of their shut-down periods. Finally there is the form of unemployment insurance which varies in its phases and of which but little is known to the general public. This is the assurance of steady work or of lay-off pay provided by individual employers for their workers. Unemployment insurance of this kind depends upon the super-excellence of the management of those firms which are able to practice it.

Burdening the Public

The first two types of insurance against out-of-work periods are burdens upon the general public. The first is obviously so, as it constitutes direct contribution by private gift or from the public purse. The second is obviously a public burden insofar as the state grants unemployment funds. It is also a public burden to the extent that employers and employees pay into the insurance fund, because the higher wages and the larger profits necessary to enable the least efficient producer, for whose goods there is a demand, to stay in business, constitute an extra cost of production which is reflected in the price of the goods. On the other hand, the insurance which depends upon the ability of the management to provide it is not an extra price burden upon the public. The insurance in these cases results from the efficiency of the management and the workers in producing goods for current wages, and at current prices, but at a cost well below the cost of production for their average competitors. In such cases the insurance may take two forms. In one instance the goods are sold at prices set by less efficient competitors and the extra profits are built into reserves for the payment of dividends and unemployment wages during periods of depression. Or the extra efficiency of the firm may be reflected in the price of its goods, with the result that the products of the firm can always be sold and production kept at full flood. Employees are practically never laid off. The significant feature of the insurance thus provided is that it depends entirely upon the productive ability of those who benefit from it. Only workers whose efforts comply with the high standards necessary to maintain low unit costs can share in the subsequent reward of lay-off pay or continuous employment.

The unemployment insurance provided by the agreement between the workers and the employers in the Chicago clothing industry belongs essentially to the last type, that which depends upon the ability of the workers and employers to produce goods below average costs. Too much significance should not be attached to the fact that in this particular case the operation of the scheme includes a group of concerns and a contribution to the insurance fund on the part of the employees. It is true, as Mr. Commons claims, that the operation of the plan whereby large houses maintain their own funds while the smaller establishments unite in a central insurance fund points to an important principle which should be recognized in considering any form of compulsory insurance. But there is a danger of repeating the common fallacy so in evidence during the recent rage for introducing shop committees; the fallacy of placing too much emphasis on form and of overlooking the fundamental spirit which made certain well known shop committee systems work. The basic point of enquiry does not lie in variations of size but in whether the premiums come from extra effort during times of prosperity or are mere contributions made on the ground of social morality and without a quid pro quo in the way of increased production.

Exceptional Circumstances

Behind the agreement in Chicago lie two important factors; the dominance in the trade of an extraordinarily well-managed house, Hart, Schaffner and Marx; and the superb leadership of an industrial union by Mr. Sidney Hillman. To go into the history of the Amalgamated Clothing Workers of America or to recite the unusual influences that have surrounded the career of Mr. Hillman would be too long. Suffice it to say that the present agreement had its genesis in 1911 when an agreement was entered into between the union and Hart, Schaffner and Marx. To show the object and the spirit of this agreement one cannot do better than quote from the preamble as it was set forth by the late Mr. John E. Williams, chairman of the board of arbitration:

"On the part of the employer it is the intention and expectation that this compact of peace will result in the establishment and maintenance of a high order of discipline and efficiency by the willing co-operation of the union and the workers rather than by the old method of surveillance and coercion; that by the exercise of this discipline all stoppages and interruptions of work and all wilful violations of rules will cease; that good standards of workmanship and conduct will be maintained and a proper quantity, quality and cost of production will be assured; and that out of its operation will issue such co-operation and good-will between employers, foremen, union and workers as will prevent misunderstanding and friction and make for good team work, good business, mutual advantage and mutual respect.

"On the part of the union it is the intention and expectation that this compact will, with the co-operation of the employer, operate in such a way as to maintain, strengthen and solidify its organization so that it may be strong enough, and efficient enough to co-operate as contemplated in the preceding paragraph: and also that it may be strong enough to command the respect of the employer without being forced to resort to militant or unfriendly measures."

The agreement was put into force and carried out in its full spirit.

On the one hand was an employer more advanced in the science of management than his competitors and a firm believer in scientific methods of improving the operating efficiency of his plant. On the other hand was a single union embracing all the trades in the industry and led by a man who believed in scientific management methods, who realized that the ultimate good of the workers rested upon the success of the industry and who had little patience for tactics tending to limit output or

(Continued on page 15)

ONTARIO STEEL PRODUCTS COMPANY LIMITED

Annual Report of the Board of Directors

For the Year Ending 30th June, 1924

TO THE SHAREHOLDERS:—

Herewith is presented Eleventh Annual Statement of the affairs of the Company for the year ended 30th June, 1924.

The Net Profits amount to $117,869.08 as compared with $129,422.06 last year. Net excess of Liquid Assets over Current Liabilities is $717,705.00 as against $672,573.63 on 30th June, 1923.

After retirement of $21,500.00 of our own Bonds on 1st of July we hold a balance in the Treasury of $27,800.00 to be used for Sinking Fund purposes later.

A rather serious fire at our Shovel Works interrupted operations at that plant for six weeks, and changes in the Tariff involved us in substantial Inventory losses in some Departments. All Inventories are now priced at or below cost, market or reproduction value, whichever is the lowest.

Further improved methods of manufacture of various products have been effected during the year.

Dividends at the rate of 7% and 4% per annum upon the Preferred and Common Shares of the Company have been paid quarterly during the year.

All of which is respectfully submitted.

On behalf of the Board of Directors,
W. WALLACE JONES, President.
W. T. SAMPSON, Director.

Gananoque, 12th August, 1924.

Consolidated Balance Sheet, 30th June, 1924

FIXED ASSETS:				
Real Estate, Buildings, Plant and Power Rights			$1,652,138.70	
Goodwill			555,272.68	2,207,411.38
LIQUID ASSETS:				
Cash			120,639.15	
Bills and Accounts Receivable			295,596.30	
Inventories			370,798.28	
Securities:				
Sinking Fund Assets $27,800.00 O.S.P. Bonds		23,446.75		
$95,000.00 Victory, Municipal, & other Securities		95,275.10		
Other Investments		1,000.00	119,721.85	906,755.58
DEFERRED CHARGES TO OPERATIONS:—				
Advances, Unexpired Insurance, etc.				22,784.36
				$3,136,951.32
CURRENT LIABILITIES:				
Bills and Accounts Payable			140,138.37	
Receiver-General of Canada for Income Tax			14,367.16	
Bond Interest to 2nd July, 1924			13,920.00	
Provision for Preferred Dividend, payable 15/8/24			13,125.00	
Provision for Ordinary Dividend, payable 15/8/24			7,500.00	189,050.53
RESERVES:				
Special for Extraordinary Inventory Fluctuations			50,000.00	
Bad Debts, etc.			48,810.82	
Depreciation			333,573.75	
Sinking Fund on Bonds			157,500.00	589,884.57
First Mortgage 6% Bonds, due 2nd July, 1943			600,000.00	
Less Bonds redeemed by Sinking Fund			157,500.00	442,500.00
CAPITAL STOCK:				
7% Cumulative preferred shares Authorized and Issued			750,000.00	
Ordinary shares, Authorized, $2,000,000 Issued			750,000.00	1,500,000.00
PROFIT AND LOSS ACCOUNT:				
Balance as at 1st July, 1923			442,022.15	
Deduct Dividend 1% on Ordinary shares to 30/6/1923		7,500.00		
Adjustment on a/c bad debt Reserve 1922		7,424.27	14,924.27	
			427,097.88	
Add Profit on Victory Bonds sold			1,049.26	
Profit for year		179,838.07		
Less depreciation		61,968.99	117,869.08	
			546,016.22	
Less Bond Interest	27,840.00			
Sinking Fund	20,160.00	48,000.00		
Pfd. Dividends paid	39,375.00			
Do., (prov. 15/8/24)	13,125.00	52,500.00		
Ord. Dividends paid	22,500.00			
Do., (prov. 15/8/24)	7,500.00	30,000.00	130,500.00	415,516.22
				$3,136,951.32

We beg to report that we have audited the Accounts of the Ontario Steel Products Company, Limited, for the year ended 30th June, 1924. We have obtained all the information and explanations required by us. We certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information, and the explanations given to us, and as shown by the books of the Company.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Montreal, 8th July, 1924.

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Manager

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

OTTAWA.—On and after October 1, 1924, the importation into Canada of merchandise packed in hay, straw or other fodders, is prohibited from all countries except the United States.

The government is reminding customs officers that all timber cut on crown lands in the province of Quebec must be manufactured in Canada, that is to say, converted into pulp or paper, deals or boards, or into any other articles of trade or merchandise of which such timber is only the raw material.

A new ruling is to the effect that "No drawback shall be granted in respect of special or dumping duty paid on liquid chlorine and bleaching powder used in Canada in the manufacture of goods exported."

An order-in-council puts the following items on the free list:

(a) Rolling mill rods, of chilled iron or alloy steel, not further manufactured than the parts that are turned for testing purposes only, with or without machined wabbler attached, when imported by proprietors of rolling mills for use only in producing finished rolls for rolling iron or steel;

(b) Iron or steel scrap, wrought, being waste or refuse, and iron or steel rails which have been in actual use, to be remanufactured in furnaces; and such iron or steel rails;

(c) Twine or yarn of grass when imported by manufacturers of furniture for use only in their own factories in the manufacture of furniture;

(d) Stearic acid when imported by manufacturers of candles for use only in their own factories in the manufacture of candles;

(e) Copper bars when imported for use only in the manufacture of rods to be used exclusively in the manufacture of electrical conductors, the individual units of which shall not exceed the area of No. 7/0 gauge conductor;

(f) Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor.

The following articles used as materials in Canadian manufactures shall be subject to the following reduced duties of customs, viz.:

(a) Rolled iron or steel sheets and strips, hardened and tempered, or ground, not further manufactured than cut to shape, without indented edges, when imported by manufacturers of band saws for use exclusively in the manufacture of such saws in their own factories:

Under the British preferential tariff, 7½ per cent. ad valorem;

Under the intermediate tariff, 12½ per cent. ad valorem;

Under the general tariff, 12½ per cent. ad valorem.

Japan.—The Japanese luxury tariff providing for an import duty of 100 per cent. ad valorem on approximately 250 articles classed as luxuries became effective on July 31, 1924.

An Invitation

Write or call for our September Bond List, which includes a complete list of sound investments and a map of Toronto, very useful to visitors at the Exhibition.

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Shall Canada Finish the Hudson Bay Railway?

LITERARY DIGEST.

track remain to be built, to connect the great northwestern grain-fields of Canada with salt water at Hudson Bay. And yet there is talk of abandoning the project, we are told by an editorial writer in the Railway Review (Chicago). At any rate, construction is to be held up until the completion of an exhaustive engineering investigation, now in progress. The fact that in Canada the Atlantic penetrates far into the middle west has always appealed to the imagination. If it were an ice-free Atlantic there would be no question of the desirability of making quick connection with it. Blocked as it is with ice, however, so that the open season may be as short as ten weeks, the question is quite different, and critics of the plan assert that Canada is faced with great expense for terminals without any prospect of reasonable saving in transportation. We read:

"The Hudson Bay Railway has been promoted with a view to establish a new export route to Europe for wheat and other grains from Western Canada. It starts from The Pas, Manitoba, on the Saskatchewan River, at the end of a branch line of the former Canadian Northern Railway, and runs northeast to Hudson Bay, following down the Nelson River to Port Nelson, near the mouth of that stream. The length of the line, as laid out, is 425 miles, of which about 325 miles, to Kettle Rapids, has been constructed at a cost of $20,500,000.

"Work on the road throughout was closed down in 1917, and now the question before the Canadian public is whether or not construction should be resumed and the road completed. The question has been taken up in Parliament, and is being investigated by the Engineering Institute of Canada. The engineers who have, voluntarily, brought the subject before the Institute have outlined the physical difficulties and commercial conditions in a manner that throws much light on the project, and the points raised lead in the direction of the investigations that should be made to determine whether or not the whole scheme can be made worth while as a measure of national economy.

"So far as railway construction is concerned no unusual difficulties seem to stand in the way of building the remaining hundred miles of road on the located route, but definite plans for a suitable ocean terminal at Port Nelson have never been decided upon, and the physical difficulties presented are such that expensive construction would have to be provided for. Owing to ice troubles and other conditions the terminal for trans-shipment to vessels would have to be built twenty miles up the stream, involving a great deal of dredging for a harbor of adequate size and for the channel leading to the open sea. The most optimistic estimates of cost are $5,000,000 for completing the railway; about $4,500,000 for harbor and channel dredging; nearly $6,000,000 for storage facilities; and including lighthouses and other necessary marine equipment along the channel and in the straits connecting the bay with the ocean, a total expenditure of $22,500,000 to complete the railway, the port terminal and put navigation to and from the port on a commercial footing.

"The most serious drawback and the condition which gives rise to the most serious doubts on the success of the whole proposition is the short season of open navigation. In some years this has been as short as ten weeks, and the longest that could be expected would be fifteen weeks, beginning about the middle of August. This short season would so place limitations on the capacity of the railway that large elevator capacity would have to be provided at the port; and it would so affect the availability of tramp vessels that estimates on freight rates must remain largely conjectural.

"A liberal estimate of the quantity of grain that would move by this outlet is 16 to 24 million bushels. The most favorable conjectural transportation saving would be about ten cents per bushel, disregarding insurance. These estimates are taken from a discussion before the Winnipeg branch of the Institute by Mr. W. Nelson Smith.

"From the foregoing it will appear that the financial success of the project of completing the railway line for almost the sole purpose of establishing a new ocean route for grain exportation, in competition with no less than five well-established existing routes, is at least problematical. The very brief navigation season, the chance of encountering Arctic conditions during a good part, if not all, of that brief season, the high cost of port development, and, most important of all, the relatively small proportion of the total of grain exports that could go by that route under conditions the most favorable, render the proposition a defensive one from the start. A penetrating inquiry into all the facts, with thorough investigation of natural and commercial conditions, by technical experts or specialists in many lines, will be necessary to determine whether all the benefits possible can be justified on economic grounds."

SHERWIN-WILLIAMS

Those who have been responsible for the recent operation in the stock are reported to have used methods that are open to criticism; a purchaser of the stock at 128 stated he had been told that he could count on 180 for his holdings, which is an unheard of procedure. Other reports in circulation are that an announcement will be made by the president of the company on his return from England which will overrule the one given out last week.

Great stress is attached to the rumor that the company has $2,000,000 on deposit in England, money received from the sale of rights in that country. Royalties, in addition to the sale price, are also expected to swell the company's bank account. The questionable statement that the three subsidiaries of Sherwin-Williams have been the hiding place of excessive profits is also being widely circulated.

In regard to expectations of benefits to shareholders, it is better for the public to disregard the ticker and "street" rumors and be guided by the statement given to Financial Service, Ltd., by W. S. Fallis, vice-president and managing director of the Sherwin-Williams Company of Canada, Ltd., which is repeated below.

Mr. Fallis stated: "That there is no foundation whatever for the rumors circulating on the 'street' regarding the possible split-up of the common shares of the company, nor has any action been considered by the board with reference to increasing the dividend on the common stock."

Such an official statement must be taken as authoritative and one that can be depended upon, says The Financial Service.

News and Views for Investors

UPWARD TREND OF MARKET CONTINUES SLIGHTLY SLOWER

Advances of Week Practically All Due to Special Influences

The upward trend of the market continued during the week in reduced volume. There were some fairly substantial gains recorded, but these, in practically every instance, were due to some special news about the issue involved. This differs from the trading of a week ago, when substantial gains were made by numerous stocks without there being any general news to justify such an advance. The bank shares were much stronger. A week ago there were a number of declines among the leaders. While these did not make a recovery, there have been no further declines, while three issues made a gain of eight points. The speculative paper issues suffered a slight setback, the declines in this group being numerous while the gains, 9 points, made by three stocks, were due to special news. The steel group was somewhat neglected with what trading did appear, on the constructive side, and the same applies to the milling shares. The utility and transportation groups showed mixed trading with fluctuations close for the most part. Textiles continue unpopular, the majority of the issues of this group remaining untouched over the week. The industrial group, which includes a number of miscellaneous issues which are rarely active was off a little more than usual. The trend of the market is shown by the following table:

Banks	3	0	6	9
Paper	3	6	4	13
Steel	4	0	9	13
Milling	5	1	7	13
Utilities	4	5	4	13
Transportation ..	5	5	5	15
Textiles	1	2	13	16
Industrial	9	5	42	56
	34	24	90	148

Can profits from industry be expected to improve to the level of a year ago? This is a question often heard on the street for the sustaining of market activity and any new activity, it is said, must come from this source rather than from the prevalence of cheap money. There are few who predict that there will be no improvement of business, but the conservative brokers are constantly discussing the question of how far the market should go in discounting improved business conditions with consequent improved earnings and the better dividends that they would bring in their wake. Hayden and Stone, of Boston, are constantly driving home the point that caution is necessary in this regard. They say in their letter this week:

> While there has unquestionably been a decided comeback in many lines, and there is an excellent prospect of an active business this fall, it is still more than doubtful if profits as a whole revert to the level of a year ago. Meanwhile, stock prices are quite up to their highest peak. A tremendous volume of activity, with violent advances in a number of issues, is enticing; the market has now reached its most fascinating but most dangerous stage. So long as money remains as easy as it is there is no reason to suppose it will not continue, but the fact remains that the market has covered a great deal of ground in the last three months. There is no disputing the fact that it is now at a very high level. While there may be for some time yet opportunities for the nimble trader, it is certainly no time, in our opinion, to become heavily committed.

THE MACARONI INDUSTRY

MONTREAL.—Steady progress has been made by the Macaroni industry of Canada during the past decade, and a recent report on this industry by the Bureau of Statistics, shows that whereas the Dominion imported nearly 7,000,000 pounds in pre-war days, imports in 1923 only amounted to 1,096,000 pounds, while exports totalled 2,229,000 pounds. Nine factories, with a capitalization of $873,000, are now operating in Canada, the output of which aggregate approximately 11,500,000 pounds.

List Public Service Corp. of U. S. in Canada

From Our Own Correspondent.

MONTREAL.—Two new securities have been added to list of stocks dealt in on Montreal Stock Exchange. In addition to Ottawa Light, Heat and Power preferred, to which reference was made a couple of weeks ago, the application of the Public Service Corporation of New Jersey to list 699,185 shares of its common stock has been accepted by the Montreal Stock Exchange.

Public Service Corporation of New Jersey through subsidiary operating companies furnishes electric, gas and street transportation service to a population of more than 2,500,000 in the state of New Jersey. The territory served extends from the Hudson River, opposite New York City, southwest to the Delaware River, opposite Philadelphia, and includes 231 municipalities. The largest of these, are Newark, Jersey City, Paterson, Trenton and Camden.

At the present time, the dividend on the new no-par common stock is $4, and the stock is to-day quoted on the New York board at 58-59.

WINNIPEG ELECTRIC WILL MAKE ISSUE

Has Spent Much Money on Capital Account Without Permanent Financing

From Our Own Correspondent.

MONTREAL. — Winnipeg Electric's move in asking shareholders to approve an increase in the interest rate on the perpetual debenture stock is preliminary to new financing. This arrangement was made by A. W. McLimont, managing director of the company, when he went to England earlier in the year. Despite the recent reorganization of the board of directors the plans will be carried through.

Winnipeg Electric has no issue maturing before 1927, but has spent a good deal of money on its plant and equipment during the past year or so, and desires to recoup its treasury for these expenditures. Now approval of the shareholders of the company is being sought by the directors of the company for increasing the interest rate on the perpetual consolidated debenture stock of the company. In 1909, the shareholders authorized the issue of this stock-bearing interest at 4½ per cent. per annum, and executed a trust securing it.

Under the provisions of the trust deed, three issues of this debenture stock were made. The first issue of £900,000 was made and sold to the public; the second, £400,000 was made in 1914 and used as collateral security for certain temporary financing; while the third, of £1,343,000 was issued and deposited as collateral for $3,250,000 six per cent. 20-year general mortgage and collateral trust bonds of the company issued in 1923.

A letter sent to shareholders calling a special general meeting to be held in Winnipeg, September 22, explains the situation.

Twin City Valuation to Be Long Delayed

The hearing of evidence on which the valuation of Twin Cities properties will be made, and which will be used to strike the tariffs which the company may levy, has been concluded by the Minnesota Commission. It will be some time before a finding will be given. A copy of the court decision in the case of one of the company's sibsidiaries is awaited. It is a case in which the federal court granted a rate increase. There are also political considerations which will hold up any decision until the presidential ballots are counted. On the other hand, business in the Twin Cities is bad, and these are the factors in the weakness in Twin City shares.

The Consolidated Mining & Smelting Co., reports ore receipts at Trail Smelter for the period August 8, to August 14, amounting to 8,483 tons and for the year to date 291,643 tons.

LaPaz Shareholders Should Act To Try Save Company's Assets

Suggested that Cent a Share Asked in Exchange Scheme Would Help—Voting Trust Has Never Been Broken

The La Paz Oil Co. is in a bad way. There are pressing liabilities. The present control has not met with success. The management approved of the exchange of shares with Consolidated American. They say that in this exchange the shareholders have a gambling chance. They could see no hope otherwise.

Shareholders of La Paz hold only voting trust certificates. When the present control could not make a success of the concern the "decent thing to have done," as one shareholder put it, was to have given the shareholders their voting rights that they might have had some say about the future of the company. Instead, shareholders are given the "suggestion" from their directors that they exchange shares into this Arizona company. When the latter gains control, then and then only is it intended to break the voting trust.

Some shareholders are raising the question as to whether or not the company can be rescued. They cannot see why the shareholders cannot do this as well as outsiders. The proposal one makes is this:

La Paz shareholders should force the breaking of the voting trust. They should get together and form a new company, accepting as a basis, the very proposal that is being made to them by outsiders, i.e., 4 shares, par value $1 for one old. This would reduce Le Paz capitalization to $10,000,000 with $4,000,000 of stock issued and $6,000,000 in the treasury for future financing. Let the shareholders put up the cent a share they are being asked by the outsiders to put up, with the new company. It will ward off pressing claims and leave a fund sufficient to investigate the assets of the company.

There are some assets of La Paz that have considerable potential value. The Louisiana lease which is close to the Lloyd Harris gusher may be instanced. There are other leases and assets which might be nursed for a while and sold to advantage to carry the balance. This proposal is looked upon as having merit, providing the right people will take hold of it and carry it through.

Failing such an action, the outlook is that La Paz will soon pass out.

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"Investment Securities" For September

Our investment recommendations are contained in our monthly booklet "Investment Securities," the September issue of which is now ready.

These recommendations consist of bonds of the Dominion of Canada and of a number of her Provinces and Municipalities; sound external obligations of Foreign Governments; well secured bonds of Railroads, Industries, and Public Utilities including Hydro-Electric Developments.

This booklet will be found interesting and helpful, and upon request we will be pleased to mail any investor a copy.

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14 Central Chambers, OTTAWA
10 King Street East, TORONTO

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Hon. J. M. Wilson

Public Utility Earnings

NORTHERN CANADA POWER

	Gross	Net
July, 1924	$ 75,854	$ 66,443
7 months	521,706	425,127

BRAZILIAN TRACTION

June	1924	1923	Change
Gr. earn.	$2,322,906	$2,089,277+	$253,629
Oper. ex.	827,643	734,405+	93,238
Net earn.	1,495,263	1,354,872+	140,391
6 months—			
Gr. earn.	13,465,907	12,224,482+	1,241,425
Net earn.	8,454,318	7,770,869+	683,449

SOUTHERN CANADA POWER EARNINGS

	July, 1924	July, 1923	Inc.
Gross earn. ...	$ 83,879	$ 75,952	$ 7,927
Oper. exp.	40,197	36,759	3,438
Net earn.	$ 43,682	$ 39,193	$ 4,489
	10 Mos., 1924	10 Mos., 1923	Inc.
Gross	$868,431	$776,008	$92,423
Expenses	393,238	346,786	46,452
Net earn.	$475,193	$429,222	$46,971

EAST KOOTENAY POWER

The first statement of earnings is available for the 12 months ending March 31st, 1924, as follows:

Gross earnings	$212,006
Operating expenses	32,090
Net earnings	$179,916
Interest charges	143,025
Balance	$ 36,891

With new transmission lines, it is anticipated gross earnings for 1924-1925 will run to $350,000 and for succeeding year to $500,000.

CAPE BRETON ELECTRIC

	June, 1924	June, 1923	Increase
Gross earn. ..	$ 50,537	$ 56,851	*$ 6,313
Oper. exp.. and taxes	44,694	53,131	* 8,437
Net earn.	$ 5,843	$ 3,720	$ 2,123
Int. charges...	5,547	5,625	* .77
Bal. for res., retirements and dividends ...	$ 295	†$ 1,905	$ 2,200
Twelve Months Ending—	June 30, 1924	June 30, 1923	Increase
Gross earn. ..	$708,429	$676,667	$31,761
Oper. exp. and taxes	566,277	576,915	* 10,638
Net earn.	$142,151	$ 99,751	$42,399
Int. charges ..	68,103	67,677	426
Bal. for res., retirements and dividends ..	$ 74,047	$ 32,074	$41,973

*—Decrease. †—Deficit.

MINNEAPOLIS, ST. PAUL RLY.

	July, 1924	July, 1923
Revenues	$ 2,156,826	$ 2,523,242
Expenses	1,753,435	1,776,245
Net revenues	$ 403,391	$ 746,996
Taxes & uncollect. rly. rev.	151,266	166,748
Net after taxes ..	$ 252,124	$ 580,248
Hire equip.—Cr.	$ 18,211	$ 79,821
Rent termin.—Dr.	10,914	10,913
Net after rents ..	$ 259,420	$ 649,156
	7 Mos., 1924	7 Mos., 1923
Revenues	$13,610,790	$15,956,506
Expenses	12,011,993	13,034,893
Net revenue	$ 1,598,796	$ 2,921,613
Taxes and uncollect. rly. revenue ...	1,011,637	1,161,971
Net after taxes ..	$ 597,158	$ 1,750,642
Hire equip.—Cr.	$ 410,531	$ 762,466
Rent termin.—Dr.	73,548	76,083
Net after rents..	$ 934,141	$ 2,446,026

Railway Earnings

CANADIAN PACIFIC

Week end.	1924	1923	Change
Aug. 21	$3,116,000	$3,518,000	—$402,000

CANADIAN NATIONAL

	1924	1923	Change
Aug. 21	$4,135,849	$4,924,509	—$788,660
Jan. 1 to Aug 21	147,063,552	151,315,481	—4,251,929

$5,000,000 LOAN ON COLLIERIES IS ASKED BY BESCO

(Continued from page 1)

might not be sufficient to warrant such payment."

The saving in the cost of coal production as a result of the improved methods in the new colliery referred to by the president should total around three-quarters of a million dollars a year. Further savings are anticipated through additional improvements in coal-mining methods.

At the present time a system of working is being tried that combines mechanical loading of coal at the working faces with concentration of operation, and is expected to effect economies in labor, in haulage distances, and ventilation charges, that will materially lessen production costs.

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C. P. R. HAS BIG PAPER PROFIT ON SMELTER SHARES

Rise in Stock of Late Means $3,000,000 to Railway

From Our Own Correspondent.

MONTREAL. — The advance in Consolidated Mining and Smelting shares has meant a paper profit of more than $3,000,000 to Canadian Pacific Railway during the past year. The advance since the beginning of the present year has added no less than $2,200,000 to the market value of C. P. R.'s holdings in Smelters stock. This is in addition to any advance in C. P. R.'s holdings of Smelters bonds.

Canadian Pacific Railway's most important investment, outside of actual railway and kindred operations, is in Consolidated Smelters. It is not the largest investment, but the one that is now producing the largest income. At six per cent., C. P. R.'s income from Smelters stock is over $1,000,000 a year out of total income from miscellaneous investments, as shown by the last balance sheet, of $2,150,000. Thus each additional 6 per cent. received from Smelters is worth a million dollars a year to C. P. R., a point of no small importance when it is considered that present conditions may bring about some decline in C. P. R.'s special earnings from other sources.

What C. P. R. Holds

Canadian Pacific Railway owns 177,025 shares of Smelters stock, having a par value of $4,425,625, out of a total of $10,553,700 of stock outstanding. What C. P. R. paid for its holdings is not on record, but it may be assumed that the figure was much below present market values.

The shares have shown an increase of 17½ points in the past year, making C. P. R.'s book profit $3,101,938. Of this advance 12½ points have been registered since the first week in January, making the profit for the year to date $2 212,813. If one wanted to carry these calculations further and go back to values a few years ago, the profits would reach much more interesting totals.

Some further speculation may be indulged in concerning C. P. R.'s holdings of Smelters bonds. There are $6.000,000 of these bonds outstanding, and of the total C. P. R. owns $2,698.400, or nearly half. The bonds may be redeemed at 110 on July 1 next, or at any later date. It is quite likely that the bonds will be redeemed, which would give C. P. R. a profit of around $270,000 above the face value of the bonds.

They are Convertible

What suggests that the bonds will be redeemed is the fact that after July 1, 1927. they may be converted into stock of the company at par—that is, each $1,000 bond could be exchanged for 40 shares of Smelters stock. Just now 40 shares of Smelters stock would be worth $1,700, and it is hard to guess where Smelters will be by the middle of 1927. If it continues the present upward movement, which is based upon excellent increases in earnings. the stock may be at much higher levels. and the conversion privilege would be exceptionally attractive.

C. P. R. stands to win either way—by redemption or by conversion. As C. P. R. is the controlling influence in Smelters, and the directorates overlap, it will be interesting to see what policy it pursues with regard to these Smelters bonds. Will it see that they are redeemed or will it allow them to remain outstanding and convert its holdings later for new Smelters stock?

La PAZ PRESIDENT RESIGNS; OPPOSES SHARE TRANSFER

(Continued from page 1)

were selling at $1 per share. He said he was going to draw the line and would not allow shareholders too much liberty. He would regulate the exchange and those who remained out would have to stay out and take their chances with La Paz which Consolidated American would operate as a subsidiary.

Mr. Wakefield said that the Toronto Grey. Inland and Canada Petroleum shareholders, the Canadian companies they are taking over, are to be treated the same. They are shaking the water out and making the exchange in these latter dollar for dollar on the paid up capital, he says.

Mr. Brooks Explains

Mr. Brooks says he resigned as he is not in favor of the deal with Consolidated American and has been advising friends not to make the exchange. He is not satisfied that the company has the assets it says it has. He has made some quiet inquiries. He also says that at the recent meeting he asked Mr. Wakefield a number of questions. These include: What was the production and where were the 51 producing wells, which the prospectus refers to? In what banks are the company's funds? What is the daily income? Was a copy of the appraisers' report that placed the value of the assets at $7.570.000 available? To all these questions Mr. Brooks said he can get no answer, so that all he could tell shareholders was that all he knew about these assets was what was claimed in the prospectus. He said that Col. G. C. Royce, one of the directors. said that he knew nothing more and that the shareholders would have to take their chance with him.

One important point made in regard to Consolidated American is that on June 6, Wakefield made an offer of pay $10,000 towards meeting the pressing liabilities of La Paz. On July 16, the money was not forthcoming. It was promised for July 31 and La Paz appointed a committee to pay the money out. The committee is still waiting to act as Consolidated has not as yet paid up, according to Brooks.

Mr. Wakefield when asked about his company's production and income, said it did not reveal these facts. They were dealing with other companies and did not want them to know too much, for this reason they suppressed some of these details.

SEEK SUBSCRIPTIONS FROM FORD OWNERS

Circulars Invite Participation in "Bankers' Shares" Issued Against Canadian Stock

Many owners of Ford cars are receiving circulars inviting them to invest in an issue of Ford Motor Co. of Canada "bankers" shares. They are told they have the right as Ford owners to secure part ownership in the Ford Motor Co. of Canada. The circulars describe in detail the company's past history, its future and excellent management, and the fortunes which have resulted from an original investment in its stock. Prospective buyers are urged to purchase at once, since the price of the "bankers" shares is "subject to increase without notice at any time."

The psychology of the circulars leaves the impression of great possibilities for profit.

There are 100 of these shares issued against each share of Ford of Canada capital stock, and they sell for $6 apiece Ford of Canada capital stock can be bought on the Curb for $450 a share. Purchase of 100 bankers' shares is therefore equivalent to buying one share of Ford of Canada capital stock. But $600 is paid for 100 bankers' shares, which is just $150 more than the market price of Ford of Canada capital stock.

Only Slight Decline in Steel Products Profits

Ontario Steel Products Co., Ltd., in its financial statement for the year ending June 30 last, shows a slight decline in profits, as compared with the previous year, net revenues standing at $117,869, as against $129,422. To net profits is added the sum of $442,022, being the balance brought forward from the previous year's accounts, and after dividends on common and preferred and other sundry items there is a reduced balance of $415,516 remaining.

Commenting on the company's affairs, President Wallace Jones points out that "a rather serious fire at our shovel works interrupted operations at that plant for six weeks, and changes in the tariff involved us in substantial inventory losses in some departments. All inventories are now priced at or below cost, market or production values, whichever is the lowest. Further improved methods of manufacture of various products have been effected during the year. Dividends at the rate of 7 per cent. and 4 per cept. on preferred and common shares have been paid quarterly during the year."

CANADIAN SUGAR EXPORTS SMALLER

Increase During Month, But Decrease on Year to Date—Home Use Greater

From Our Own Correspondent.

MONTREAL.—Figures just released by the Dominion Bureau of Statistics regarding the Canadian sugar industry for the four-weeks' period ending August 9, 1924, show that the domestic consumption of sugar in Canada during that time was slightly smaller than in the corresponding period of last year, unlike the previous two months, when distinct increases over 1923 were shown.

Shipments for domestic consumption in the four weeks ending August 9 totalled 56,247,228 pounds, as compared to 58,380,124 pounds last year, or a decrease of 2 132,896 pounds. Total shipments for this purpose from January 1 to August 9, 1924, amounted to 444,437,225 pounds, as against 429,845,144 pounds during the same period a year ago, showing an increase of 14,592,081 pounds.

Conditions in the export phase of the business are just reversed, with figures showing an increase for the four-week period ending August 9, and a decrease for the year to date. Export shipments during the two previous months were smaller than they were last year, but statistics for the latest period are 11,998,362 pounds this year, as against only 502,718 pounds last year, or an increase of 11 495,644. Sugar exports for the year to date, however, have been considerably smaller than last year, the figures being 78,649,499 pounds, as against 117,660.901 pounds, or a decrease of 39,011,402 pounds.

Stability of Europe by Return to Silver

James F. Callbreath, secretary, American Mining Congress, predicts stabilization of European conditions by the coinage of silver. He says there is a general return to use of silver in foreign countries.

"Poland started buying recently with a purchase of three million ounces, and other countries are following. I believe this was the entering wedge of the stabilization of the finances of the world."

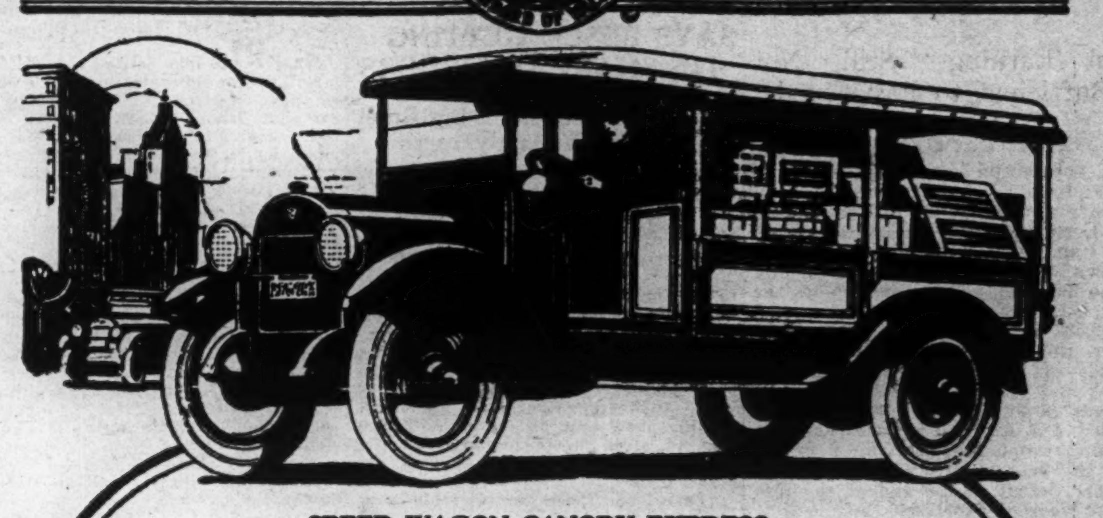
With reference to some proposals that countries should not mint gold or silver, but issue only paper against it, Mr. Callbreath said that so long as people delighted in the feel of metallic coins, he did not expect the exclusive paper-money proposals would get very far.

On the subject of capital for mining, Mr. Callbreath spoke against the so-called "blue sky" laws. Though poor people should be protected, he said, still a person ought to be allowed to risk his money in mining the same as anything else, so long as the facts of the speculation or investment are placed honestly before him.

NEW RAILWAY PROJECT

Robert Waldron, of Duluth, in Port Arthur, recently, after interviewing local business men, says he will shortly be able to announce directorate of a company to build a railway from Duluth to Fort William and Port Arthur.

SPEED WAGON



SPEED WAGON CANOPY EXPRESS

Fleetness with Safety

Due to the double frame mounting of power units, chassis weight is evenly distributed for safe road balance. Safety is further insured by easy control, an unusually rugged steering gear and oversized brakes.

Fleetness, average-load-capacity, roadability and balanced goodness fit the Speed Wagon to out-economize any other commercial motor vehicle in the world, and make it adaptable to practically every line of business.

Designed and manufactured in the big Reo shops,—not assembled. Supplied in twelve body styles.

"See the Reo Exhibit at the Exhibition"

REO MOTOR CAR COMPANY OF CANADA, Limited, Windsor, Ontario

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING AUGUST 26

	Div. Rate	Yield Aug.25	High For wk.	Low For wk.	Close Aug. 26	Close Aug.19	Sales For wk.	Range High	1924 Low
Banks—									
Commerce	12	6.55	183	180	183	180¼	132	188	178
Dominion	12	6.78	177½	176¾	177½	177	61	187	176¾
Hochelaga	10	6.84	146	145	145	147½	106	150½	143
Imperial	12	6.85	175½	172½	175	172	131	179	169
Molsons	12	8.10	148	147½	148	147	11	159½	147
Montreal	12	5.03	240	238	240	237½	101	248	230
Nova Scotia	16	6.36	251	250	251	251	96	260	248
Royal	12	5.40	222½	220	222½	219½	74	222½	211
Standard	12	7.54	159	159	159	159	146	168	156½
Toronto	12	6.85	175	174	175	177	43	179	169
Union	8	8.00	100	100	100	100	46	109½	100
Paper—									
Abitibi, com.	4.00	6.66	62½	59½	60	62½	2330	69	54
Do. pref.	7	7.03	..	..	..	..	..	103½	98½
Brompton Pulp	..	....	36	34	34	36	665	43	29
Laurentide	6	6.81	89	87½	88½	87½	1020	98½	84½
Price Bros.	2	4.46	45	43¾	43¾	44	1130	45	40
Prov. Paper, com.	6	6.97	86	85	85	87	24	110	83
Do. pref.	7	7.56	92½	92½	92½	92	15	97½	90
Smith, Howard, com.	4	10.25	39	39	39	39	5	75	38
Do. pref.	8	8.98	89	88½	89	87	57	100	87
Spanish River, com.	7	6.37	111½	108	110	108	8591	114½	96
Do. pref.	7	5.88	120½	116	120	116	3665	120½	108½
St. Maurice Paper	6	6.66	92	88½	90	88	200	113½	85
Wayagamack	..	....	36	36	36	36½	210	46	32
Steel and Steel Industries—									
B.E. Steel, com.	..	....	2½	2	2	2¾	857	6	2
Do. 1st pref.	..	....	32½	29½	31½	29	476	57½	29
Do. 2nd pref.	..	....	8½	7	8½	7	1000	17	7
Can. Car & Foundry, com.			43	42	43	42	60	50	36½
Do. pref.	7+1¾	8.23	85	85	85	84	15	97	83½
Can. Foundries, com.	..	....	..	..	..	..	..	31	19½
Do. pref.	..	....	..	..	..	..	..	45	45
Can. Locomotive, com.	4	6.06	66	66	66	65	1	67	65
Do. pref.	7	7.95	..	..	..	..	..	92½	85
Dominion Coal	..	....	40½	40½	40½	40½	25	81	40
Dominion Iron, pref.	..	....	..	..	..	..	..	57	29
Dominion Radiator	7	7.07	99	99	99	99	15	99	94
Dominion Bridge	4	5.71	70	69	69½	69	230	80	60
Dom. Steel Corp., pref	..	....	..	..	..	..	..	73	38
N.S. Steel, com.	..	....	7¼	7½	7½	..	25	7½	7¼
Do. pref.	..	....	..	..	..	..	..	68	68
Ontario Steel, com.	4	10.25	39	39	39	41	10	45½	39
Do. pref.	7	8.11	..	..	..	..	..	93	86
Canada Iron, com.	..	....	8	8	8	8	227	8	5½
Do. pref.	..	....	30	30	30	30	537	30½	25½
Steel of Canada, com.	7	9.18	77	74	76	73½	3743	83	69½
Do. pref.	7	6.73	104	103½	104	103	26	105½	99½
Milling—									
Canada Bread, com.	4	5.06	80	78½	80	78½	244	80	63
Do. pref.	7	7.07	99	99	99	99	20	100	95
Inter. Milling, pref.	7	7.44	94	94	94	93½	66	96½	93
Lake of Woods, com.	12	6.44	186	185	186	185	50	186	167
Do. pref.	7	5.88	..	..	..	..	..	120	115½
Maple Leaf, com.	..	....	75½	74½	75½	73½	100	75½	59
Do. pref.	7	7.14	98	98	98	98	73	98½	87
Ogilvie Flour, com.	12	3.87	320	310	320	335	185	335	304
Do. pref.	7	5.83	..	..	..	..	..	120½	116
Shredded Wheat, com.	8+1	6.59	136½	136½	136½	135	6	138	135
St. Law. Flour, com.	6	8.00	75	74	75	74	260	75	66½
Do. pref.	7	7.36	95	95	95	95	5	95	89
West. Can. Flour	8	7.52	106½	105	105	105	10	106½	98
Utilities—									
Bell Telephone	8	5.99	134½	133½	134	133½	160	134½	125
Consumers Gas	10	5.97	169	166½	166½	167	103	169	159
Dom. Telegraph	6	6.74	44½	44½	44½	44	60	44½	43
Kaministiquia	8	8.24	97	97	97	98	25	113½	97
Mackay, com.	7	6.03	117½	116	116	117½	336	120½	102½
Do. pref.	4	5.88	68	67½	67½	67½	82	71½	65
Mexican Light, com.	..	....	..	..	..	..	..	20	18
Do. pref.	..	....	..	..	..	..	..	40	38
Montreal L. H. & Pr. Cons.	7	4.00	176	174	174½	173½	4214	176½	140½
Montreal Telegraph	8	6.20	..	..	..	..	..	52½	48
Ottawa L. H. & Pr.	6	6.52	93	92	92	93	115	93	81
Quebec Power, com.	..	....	95	92½	95	93½	1612	95	64
Do. pref.	7	6.73	104	104	104	104	5	104	90
Shawinigan	7	5.11	137	136½	136½	136½	1074	137½	118½
Southern Can. Power	1.00	....	71	67½	71	67½	626	71	51½
Transportation—									
Canadian Pacific Rly.	10	6.63	151½	149½	149½	152½	82	154½	147½
Canada Steamships, com.	..	....	13½	12½	12½	12½	907	16	10
Do. pref.	..	....	49½	46	47½	46½	2460	51	41½
Tractions—									
Barcelona	..	....	14½	14½	14½	15	100	20	12½
Brazilian	4	8.46	47½	46½	46½	47½	1202	53½	41½
Detroit Un. Rly.	..	....	31½	31	31	31	175	72½	25
Duluth Superior	..	....	..	..	..	..	..	35	19½
Illinois Traction, com.	2	....	..	..	..	..	..	103	60
Do. pref.	6	6.38	94	94	94	92½	10	94	87
Montreal Trams	10	5.84	..	..	..	..	..	171	148
Ottawa Traction	4	6.66	..	..	..	..	..	60	60
Porto Rico Rlys, com.	..	....	30	27	27	29	178	30	17
Do. pref.	7	9.18	78	78	78	76½	5	78	66
Quebec Rly.	..	....	..	..	..	..	..	18½	14½
Toronto Railway	..	....	98½	97	98½	98	1147	100½	80
Twin City, com.	4	8.33	48	46½	47½	46½	600	79	45
Winnipeg Elec., com.	..	....	36	36	36	36	519	36½	24
Do. pref.	7	8.14	86½	85	86½	86	104	86½	75
Textiles—									
Can. Conn. Cotton, pref.	8	....	..	..	..	..	..	80	53½
Can. Converters	7	9.09	78	77	78	76½	130	90	70
Can. Cottons, com.	8	8.08	..	..	..	..	..	111	85½
Do. pref.	6	6.66	..	..	..	..	..	91	86½
Can. Woollens, com.	..	....	6	6	6	5½	50	7	5½
Do. pref.	..	....	34½	34	34	35	103	41½	34
Dom. Textile, com.	4.00	6.53	61½	60½	61½	60	1860	66	53½
Do. pref.	7	6.42	..	..	..	..	..	109½	104½
Monarch Knitting, com.	..	....	..	..	..	..	..	25	25
Do. pref.	7	9.85	..	..	..	..	..	82	65
Montreal Cotton, com.	6	6.59	..	..	..	..	..	100	89½
Do. pref.	7	6.54	..	..	..	..	..	107	104
Penmans, com.	8	5.40	148	148	148	149½	75	165	134
Do. pref.	6	6.17	97½	97½	97½	97½	5	97½	92
Wabasso Cotton	4.00	8.00	50	50	50	50	20	72	47
General Industrials—									
Amer. Salesbook, com.	5	....	36½	36	36	36	90	47	36
Do. pref.	7	8.14	88	88	88	85½	3	95	85
Asbestos, com.	..	....	31	30½	30½	31	75	35	19
Do. pref.	6	8.82	68	68	68	69	1	70½	52
Atlantic Sugar, com.	..	....	15½	15	15½	16½	10	21½	11
Do. pref.	..	....	..	..	..	..	..	51	32½
Bird & Son, pref.	7	8.75	..	..	..	..	..	89	80
B.C. Fishing	..	....	16	15	16	16½	70	18	8
Burt, F. N., com.	10	7.60	132	131½	131½	132	25	137½	131½
Do. pref.	7	5.34	..	..	..	..	..	136	131
Canada Cement, com.	6	6.81	88½	88	88	86	578	93	83
Do. pref.	7	6.79	104	103	103½	103½	56	108	102½
Cons. Rubber, pref.	7	7.77	90	90	90	73	4	90	73
Can. Gen. Electric, com.	6	....	..	..	..	..	..	58½	52½
Do. pref.	7	6.33	55½	55	55½	55½	108	56½	51½
Can. Indust. Alcohol	10	....	35½	34½	35	35½	3223	35½	26
Canadian Salt	8	7.37	..	..	..	..	..	115½	108½
Carr. Factories, com.	..	....	..	..	..	..	..	2½	½
Do. pref.	..	....	..	..	..	..	..	17	15
City Dairy, com.	3	....	58½	58	58½	58½	100	58½	40½
Do. pref.	7	6.57	..	..	..	..	..	110	104
Crows Nest Coal	6	12.76	47	47	47	47	20	51½	46
Cuban Can. Sugar, com.	..	....	7½	7½	7½	7½	45	13	6
Do. pref.	..	....	40½	40	40½	39½	215	54	33
Dom. Canners, com.	..	....	34½	33½	34½	33	635	35½	20½
Do. pref.	7	7.95	88	86½	88	88	20	90	82
Dominion Glass, com.	7	6.25	113	111½	112	112½	362	113	110
Do. pref.	7	6.60	..	..	..	..	..	107	103
Dominion Stores, com.	1.00	....	25½	25½	25½	21	5	30	24½
Do. pref.	8	8.98	89	89	89	90	4	92½	81
Davies, Wm. (A)	..	....	..	..	..	..	..	20	11½
Eastern Theatres, com.	..	....	..	..	..	..	..	14½	12
Do. pref.	7	10.29	..	..	..	..	..	70	67
Ford Motor	10	....	..	..	..	..	..	485	440
Goodwins, com.	..	....	..	..	..	..	..	48½	17
Do. pref.	7	10.00	70	70	70	70	76	95	69½
Goodyear Tire, pref.	7	9.33	75	73½	75	78½	50	81½	71
Frontenac Brew., com.	..	....	..	..	..	..	..	73½	60
Do. pref.	7	7.71	90½	90½	90½	93	6	122	90
Holt, Renfrew, pref.	7	....	..	..	..	..	..	66	52
Interprov. Brick, com.	6	9.09	..	..	..	..	..	66½	66
King Ed. Hotel	..	....	..	..	..	..	..	21	21
Lyall Construction	..	....	..	..	..	..	..	21	10
Macdonald, A.	..	....	..	..	..	..	..	5	4
Nat. Breweries, com.	4.00	7.01	58	57	57½	57	459	58	48½
Do. pref.	7	6.86	102	102	102	100½	75	102	99
Pacific Burt, com.	6	6.38	..	..	..	..	..	101	94
Do. pref.	7	6.73	104	104	104	104	10	106	100
Port Hope Sanitary, com.	..	....	..	..	..	..	..	50½	49
Do. pref.	7	7.77	..	..	..	..	..	90	90
Rogers, Wm. A., com.	..	....	..	..	..	..	..	70	45
Do. pref.	7+1½	7.60	..	..	..	..	..	100	86
Russell Motor, com.	..	....	..	..	..	..	..	18	17½
Do. pref.	7	14.00	..	..	..	..	..	56	48
Sherwin-Williams, com.	6	4.87	124	121	123	119	438	128½	100
Do. pref.	7	6.93	101	100	101	101	287	103	98½
Sterling Coal	4	9.30	43	43	43	42½	30	44	40
Tooke Bros., pref.	..	....	..	..	..	..	..	40	38
Tuckett Tobacco, com.	4	6.78	60	60	60	59	5	64½	57
Do. pref.	7	7.25	96½	95	96½	96	25	97	92½
Woods Manufacturing, com.	..	....	..	..	..	..	..	35	25
Do. pref.	7	11.11	..	..	..	..	..	67	63
Trust and Loan—									
Canada Landed	10	6.32	..	..	..	..	..	86	78½
Can. Permanent	12	6.52	184	184	184	184	7	187	179
Colonial Invest.	6	....	..	..	..	..	..	7	4
Hamilton Pow.	10	6.89	..	..	..	..	..	146	141
Huron & Erie	7	5.69	..	..	..	..	..	125	120
Landed Banking	9	6.52	..	..	..	..	..	142	138
Montreal Loan	12	6.48	..	..	..	..	..	46½	46½
National Trust	12	5.66	..	..	..	..	..	215	210
Real Estate Loan	7	7.86	..	..	..	..	..	89	85
Toronto Gen. Trusts	12	5.74	..	..	..	..	..	210	202
Toronto Mortgage	10	5.86	..	..	..	..	..	25½	81½
Union Trust	7	8.23	..	..	..	..	..	85	84

WILSON FAILURE IS BLOW TO CHICAGO

Chicago livestock markets are seriously hit by Wilson and Co., Inc., receivership application and withdrawal from market. It leaves only two firms of national importance in the field.

Affairs of Wilson and Co. have been much discussed in the past few years, and particularly since the beginning of 1924, when, after a prolonged period of acute depression in the packing industry, the report for 1923 showed a most satisfactory improvement. Directors in January produced a plan for improving the somewhat top-heavy capital position. The plan, which failed of approval due to the organized stock holdings of a minority, proposed the sale of prior preference stock ranking ahead of preferred and common, the proceeds to be used to reduce indebtedness, including not merely current indebtedness, but also funded debt and short-term bonds which entailed heavy sinking fund obligations. Failure of the plan to receive the approval of stockholders led, in March, to the passing of the quarterly preferred dividend of 1¾ per cent. then due, in an effort to conserve earnings and effect a reduction of indebtedness.

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Can. Assoc. Goldfields	04½	07
Can. Westinghouse, pref.	133	135½
Can. Marconi	1.00	..
Cockshutt Plow, 7% pref.	22	24
Collingwood Shipbuilding, com.	47	53
Cosgrave	6	..
Dom. Power, pref.	94½	..
Dom. Power, com.	37½	38½
Dunlop Tire 7% pref.	80	84
Durant Motors (A)	5½	..
Durant Motors (B)	6½	..
Durant Motors (C)	8½	..
Dom. Sewer Pipe, com.	27	30
English Elec., com.	5½	..
English Elec., pref.	47	49
Famous Players, pref. 50%,com.	72	74
Gunns, Ltd., pref.	30	34
Hamilton Pantages, pref.	50	..
Hamilton Pantages, com.	..	2½
King Ed. Cons. deb. A.	56	58
King Ed. Cons. deb. B.	35	36
K. & S. Tire, pref.	15	..
Loew's Buffalo, com.	.80	1.25
Loew's Hamilton, pref.	50	..
Loew's London, pref.	5	6
Loew's Ottawa, pref.	19	22
Loew's Toronto, pref.	57	62
Loew's Toronto, com.	33	34
Loblaw Groc. 2nd pref.	120	150
Massey-Harris	25	30
Mount Royal Hotel, pref.	46	48
North Mexico Power, com.	15	17½
Robt. Simpson, pref. 6%	93	94½
Dom. Comb. Mills (1 pref, 2 com)	60	65
Loans and Insurance—		
Brit. Am. Assur.	6	7
Capital Life	22	27
Can. Mortgage	55	..
Continental Life	25	30
Crown Life	100	..
Excelsior Life	31½	..
Great West Life	220	..
London Loan	44	48
Manufacturers Life	56	58
Mercantile Trust	100	..
Monarch Life, 10% pd.	13½	..
National Life $25 pd.	50	..
Ontario Equitable	17	..
Peoples Loan	78	..
Sovereign Life	17	22
Sun Life 50% pd.	170	..
Sun Life 35% pd.	135	..
Sterling Bank	92	95
Trusts & Guar.	66	70

Iron and Steel

LAKE SUPERIOR HAS REPORTED LARGER INCOME

But Earnings Still Not Sufficient to Pay Fixed Charges

A substantial increase in net earnings from the operations of subsidiary companies of the Lake Superior Corp., excluding the Algoma Centra l and Hudson Bay Railway Co., is shown for the fiscal year ending June 30, 1924. The report shows the net earnings at $1,156,740, against $866,582 for the year previous. However, the dividends and interest on bonds of subsidiary companies, on bank and other advances and rentals amounted to $1,307,827. to which was added $86,162 for depreciation on mining properties, creating a deficit for the year of $237,250 to be added to the deficit at the end of the previous year of $1.307,949, and making a total deficit for all companies of $1,545.199. Following are comparative figures from the profit and loss account:

	1924	1923
Net earnings	$ 1,156,740	$ 866,582
Bal. forward	x1,307,949	x 763,813
	$x 151,208	$ 102.768
Dividends and int.	1,307,827	1,309,008
Deprec. mining prop.	86,162	92,246
Income tax	......	9,463
Carried forward	$x1,545,199	$x1,307,949

x—Deficit.

Algoma Steel

The tonnage figures for the Algoma Steel Corporation as compared with the previous year are as follows:

	1922-'23	1923-'24
Coal imported	590,341	711,321
Ore imported	453,548	636,985
Limestone produced .	77,467	259,523
Coke produced	281,088	374,392
Pig iron produced	22,616	300.685
Steel ingots produced	219,884	297,960
Steel products	168,924	223,134

While orders were not sufficient to keep the mills in continuous operation, a marked improvement was shown in both tonnage and earnings Rail orders received were 29.000 tons greater, and for rail fastenings were more than double the previous year. Rail production for the year was 175,550 tons, as compared with 146,238 tons in 1923, and pig iron shipments 100,619 tons, compared with 122.798 tons. The report continues that while the company "has no rail orders on its books at the present time it is expected that Canadian railways will be placing orders for winter rolling." It is expected that there will be sufficient business to continue the operation of the merchant mills.

The profit and loss account shows net earnings from operations of $1,042,109, against $355,092 for the previous year. Interest charges for the year under review were $1.075,678. Interest on investments this year amounted to $9,614, the loss for the year without provision for general depreciation being $23,954. The balance at debit of profit and loss account on June 30, 1923, was $755,332, leaving a balance at debit carried forward of $779,286.

Algoma Eastern

Operating results for the year showed an improvement, net profits being $7,885, as against a loss of $43,523 for the previous year. The general business depression was reflected in the traffic receipts for the last six months of the fiscal year.

During the year the unpaid liability in respect of equipment in trust and amounting to $247 303 was paid off and the cost value of the equipment, $632.816, is now included in the property account.

Algoma Central

The year's operations of the railway company and Algoma Central Terminals resulted in net earnings, before bond interest, of $207,288, as against net earnings for last fiscal year, before bond interest, of $37,998.

The Russell Gear Co. Now National Acme

Announcement of the merger of the Montreal branch of the National Acme Company, Cleveland, O., manufacturers of screw machines and screw machine products, and the Russell Gear and Machine Co., Toronto producers of gramophone motors motor car gears, and two-speed axles establishes one of the most efficient screw product plants on the continent.

Paul F. Mellinger, former manager of the National Acme Company. in Canada, is managing director of the new concern, which will be known as Canadian Acme Screw and Gear, Limited.

Manufacturing operations were practically discontinued at the Montreal plant, according to Canadian Machinery. All machinery now has been moved to the plant of the Russell Company at Toronto, where considerable new equipment of the latest and most efficient type is being installed.

Enlow Says Business Better in Metal Lines

President A. T. Enlow of the Dominion Sheet Metal Corporation, Hamilton, returning from England, reports to Canadian Machinery a decided improvement in the company's line. He says:

"I notice a change in the type of orders we are receiving. Formerly, we depended entirely on one or two orders to keep us going all week, but now a steady flow of small business seems to be our lot.

"We are now turning out 100 tons a day at two-thirds capacity, as against operations recently at one-third capacity. I feel cheerful about business in the metal working field, and believe our particular line is certain to pick up considerably in the fall."

SAYS BESCO GETTING ITS SHARE OF ORDERS

General Manager of Big Steel Corporation Analyzes the Prevailing Conditions

J. E. McLurg, vice-president of the British Empire Steel Corporation, declares that when the general "famine" in the steel industry is taken into account, Besco is not doing so badly at all. In an interview with Canadian Machinery he says:

"In fact, in Nova Scotia we are in much better shape than the rest of the steel industry in Canada, taken as a whole. Production figures for the month of July show that of a total of 51,000 tons of steel ingots produced by the entire industry in Canada, we produced 31,000 tons.

"There has been considerable talk lately of the Trenton plant. From some of the information which has been broadcast one would gather that the plant was entirely idle and in fit condition to be scrapped. As a matter of fact, we have just completed in August, 500 general service cars for the Canadian National Railway, in the car plant. We are now finishing 200 complete box cars with steel frame for the same railway. When that work has been done we have orders for eleven snowplows for the C. N. R.

"In order to take care of our staff and maintain the organization at Trenton, we have reduced the capacity of the car plant from 110 cars per week to 55, thus making the work on hand last much longer.

"The steel plant at Trenton is working this week and will be working next week. The prospect is that the plant will continue to operate. We are filling many orders for track supplies, castings, bars and general steel commodities.

"At Sydney, No. 8 furnace which is now banked, will go on foundry pig iron in September. Last Monday, the bar mill was started. The rod, wire and nail mill will be started next week.

"Although we are facing a situation which requires considerable ingenuity, we are looking on the sunny side of the cloud and, with diligent scraping, are securing our share and more of the business coming to the Canadian steel industry to-day."

Pulp and Paper

LAURENTIDE HAS LARGER PROFITS; ADDS TO TIMBER

Company Earns Over 7% After Increasing Depreciation Reserve

From Our Own Correspondent.

MONTREAL.—Laurentide's earnings during the year to June 30, 1924, showed a sizeable increase over earnings for the previous fiscal year. This was accomplished despite the fact that the mills were operating on a basis of curtailed production during the last six months of the year covered by the annual statement that was issued this week, and despite the fact that for a few months of the year $73 a ton rather than $75 a ton was being received for the company's product.

Earnings figured out at 7.2 per cent. on the common stock, as compared with 6.9 per cent. in the previous year. It is evident that this sum was fairly and thoroughly earned, for before arriving at profits available for dividends, an amount of $1,148,190 has been put to reserves for depreciation, depletion, etc. This appropriation for reserves exceeds the similar appropriation of a year ago by $400 000, and indicates the essentially conservative nature of Laurentide's accounting and financial reporting methods.

Can Dividend Go Any Higher?

The financial statement suggests some consideration of the possibility of Laurentide getting its dividend rate above the present level of 6 per cent. This is the first year since 1921 that the rate of earnings has exceeded 7 per cent. Laurentide has gradually increased its earnings, and its rate of dividend. but there are many who feel that the limit of disbursements has been reached. They base their conclusion on the assumption that Laurentide has reached the limit of its capacity to expand its production; in fact, some of the people feel that Laurentide's timber supply is not sufficient to give adequate protection to the present output. With a heavy burden—estimated at close to $5 a ton of paper produced—for employee welfare work, etc., costs cannot be greatly reduced. Laurentide has reached the stage, it would seem, where production at close to capacity and firm paper prices are a combination essential to profits much above the dividend level.

The greatest improvement will come from reinvestment of the moderate surplus earnings that will gradually take up loans that now utilize a portion of profits for interest and from increased earnings of Laurentide Power Company. As this subsidiary is able to increase its rate of dividend through more effective use of its available power, the Laurentide Company will have its income from this source increased. The possibility of a 7 per cent. dividend for Laurentide cannot be dismissed. but whether this will come before Laurentide is taken over as the keystone of a larger paper organization is. of course, a question that time alone will answer.

Laurentide has, of course, stronger than ordinary reasons for maintaining earnings and dividends on a sound and steady basis, for many of its employees are owners of shares and have been induced to invest in the company through the efforts of its officers.

The Comparative Statement

Profit and loss account of Laurentide for the past three years compares as follows:

Profit and Loss Account—

	1924	1923	1922
Net earn.	$3,551.591	$3,167.998	$2,693,154
Interest	318,876	424,999	440,631
Depr., etc.	1,148,190	753,896	458,461
	$2.084,524	$1,989,103	$1,794,061
Div.	1,728,000	1,728,000	1,728,000
Balance	$ 356,524	$ 261,103	$ 66,061
Previous surp.	1,750,632	1,489,529	1,423,468
P. & L. surp.	$2,107,156	$1,750.632	$1,489,529

The company's working capital shows an excellent increase, but the president. George Chahoon, jr., in his annual statement is careful to point out that this is due to the fact that the company was required to cut a large amount of wood which was affected by the fires of the previous summer. Incidentally, the president indicates that the company has added to its timber reserves during the past year. The extent of the additional reserves is not revealed, and there is no important enlargement of fixed assets or investments shown. Evidently earnings took care of the new timberlands purchased.

Comparative working capital statement is as follows:

	1924	1923	1922
Curr.			
Cur. assets—	$11,484,246	$10,615,562	$11,296,891
Cur. liab.—	4,592,103	4,511,045	5,792,764
Working capital—	$ 6,892,133	$ 6,104,517	$ 5,792,764

Mr. Chahoon states: "The mills have been operating on a curtailed basis since January 1, due to a slight over-production in the industry. This condition will continue until the growth of demand absorbs the new production that is being put on the market."

Belgo's Earnings Are About 22% on Common

From Our Own Correspondent.

MONTREAL.—Despite the fact that the mill is running at only about 85 per cent. of capacity, Belgo-Canadian Paper Company is earning at the rate of about 22 per cent. on its common shares. This information comes from a reliable source.

The company completed twelve months under the new regime at the end of June, and is understood to have earned about 18 per cent. on the common in that period. This was after provision for bond interest, depreciation, and sinking fund.

Belgo will not issue any statement until the close of the present calendar year, when it is planned to bring out an eighteen months' earnings statement.

Venezuela Has Plenty of Pulpwood Supplies

Pulpwood in sufficient quantities to supply the needs of the whole world is obtainable in the republic of Venezuela, according to General Alyandro H. Ducharme, who is now in Canada. The general holds timber rights over a district of some two thousand and fifty square miles area at the mouth of the Orinoco.

"The resources of Venezuela are mainly agricultural," he says, "but there is enough pulpwood to supply the wants of the whole world for an indefinite period. At the present time, though, the industry is not developed. There is only one small paper mill outside of Caracas, the capital. If the possibilities of my country were better known, there would be no talk of a paper shortage for some time."

PORT ALFRED MILL SOON TO MAKE NEWS

May Break Ground in Spring for New Mill—Directorate Is Now Lined Up

From Our Own Correspondent.

MONTREAL.—Port Alfred Pulp and Paper Corporation has its new directorate lined up, and it provides an interesting group of business men. The new president is R. O. Sweezey, a leading pulp and paper engineer, who will devote most of his time to making a success of the Port Alfred Co. The vice-president is J. H. Gundy, of the investment banking firm of Wood, Gundy and Co. It is understood that Messrs. Sweezey and Gundy hold a controlling interest in the company. Other directors include Arthur Cross, managing director; J. W. Ross, C. E. Taschereau, E. A. Macnutt and Eugene Bergeron. Messrs. Cross and Ross are connected with the accountancy firm of P. S. Ross and Sons; Mr. Taschereau is a brother of Premier L. A. Taschereau of Quebec; Mr. Macnutt is treasurer of the Sun Life, and will look after that company's large interest in the new organization; Mr. Bergeron is manager of the Port Alfred mill.

The company is now operating on a satisfactory basis as regards earnings, and is selling its production in the United States and Canada, having found new customers to replace the English clients to whom sulphite pulp was supplied by the former company, the Bay Sulphite Company.

Ground will likely be broken in the spring for the first unit of the newsprint mill. It is planned at first to manufacture 100 tons of newsprint a day. and as market conditions warrant, the mill will gradually be increased until a daily production of 400 tons of paper is reached.

The outlook for the mill from a paper-producing standpoint is especially favorable because of the fact that cheap power can be had from the Duke-Price development.

FIRE KILLED WOOD FOR PAPER MAKING

What Has Heretofore Been Discarded as Waste is Found to Have Value

The great devastation caused by forest fires in Canada is well known to every thinking citizen. Hundreds of thousands of square miles have been burned over, destroying mature timber, trees that have not yet reached commercial size, and the young growth. Mile after mile of these partially burned or fire-killed trees, whitening in the weather, greet the traveler through some of our forested provinces, and the wonder has often been expressed as to whether some use could not be made of what appeared to be utter waste.

The enormous amount of fire-killed timber, and what beneficial use could be made of it has been given much attention by those concerned with the utmost utilization of the forest. This has been fully and carefully investigated by the Forest Products Laboratories of the Department of the Interior, the object being to determine the effect of fire-killing and superficial charring on the pulping qualities of the spruce and balsam. This valuable research work clearly demonstrated that this otherwise waste product can be successfully used for pulp manufacture by the sulphite process. Such a result will mean much to Canada, in that it widens the resources of our forests and will enable them longer to withstand the enormous demand being made upon them for the raw material for what was at one time almost a luxury, but what at present is recognized as a necessity—the newspaper.

CHICOUTIMI MILLS REOPEN

MONTREAL.—After months of unemployment. 600 men, formerly working for the Chicoutimi Pulp and Paper interests, have returned to work. It is understood that the output will be shipped to England. There are unconfirmed reports that the Price Bros. and J. E. A. Dubuc are the parties responsible for the resumption of operations, and that the reopening will be permanent.

September Dividend Payments

Dividends	$16,018,377
Bond Interest	12,327,267
	$28,345,644

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Beld. Cort., pref.	1¾q	15	$ 15,142
Brand.-Hend., com.	1q	1	11,799
Brazilian Tr., com.	1q	1	1,065,810
Confed. Life	5q	30	5,000
Cons. Rubber, pref.	1¾q	30	52,500
Can. Pac. Rly., com.	2½q	30	6,500,000
Do., pref.	2s	30	1,613,638
Crow's Nest Coal	1½q	1	93,189
Dom. Power, com.	1q	15	77,145
Dom. Radiator, pref.	1¾q	1	27,097
Hollinger Mines	1m	8	246,000
Imperial Oil	75c	2	1,194,672
Imp. Tobacco, com.	1½q	30	471,456
Do., pref.	3s	30	240,900
Inter. Milling, pref.	1¾q	1	38,500
Keeley Mines	8+4s	15	240,000
Lake Shore Mines	5q	15	100,000
Lake of Woods, com.	3q	1	105,000
Do., pref.	1¾q	1	26,250
London Life Ins.	2q	30	2,000
McIntyre Mines	5q	1	199,500
Mont. Cottons, com.	1½q	15	44,979
Do., pref.	1¾q	15	52,475
Montreal Loan	3q	15	18,000
Mutual Oil	12½q	1	391,950
N. B. Power, pref.	1¾q	2	17,500
Niag. Falls Pr., cm.	$1.50q	15	217,828
Olgivie Flour, pref.	1¾q	2	35,000
Ott. & Hull Pr., p.	1¾q	15	26,250
Port Hope San., p.	1¾q	1	5,250
Sher.-Will., com.	1½q	30	60,000
Do., pref.	1¾q	30	59,937
St. Maur. Paper	1½q	28	118,498
West Can. Flour	2q	15	57,500
			$13,430,765

Banks

Bank			
Commerce	3q	1	$ 600,000
Hochelaga	2½q	1	137,500
Montreal	3q	2	817,500
Royal	3q	1	612,000
Toronto	3q	1	150,000
Union	2q	1	160,000
Weyburn Security .	2½s	21	13,112
Provincial	2¼q	2	67,500
La Caisse d'Economie	$3	2	30,000
			$2,587,612

q—Quarterly. s—Half-yearly. m—Monthly.

BOND INTEREST DUE IN SEPTEMBER

Company	Rate	Due	Amount
Abitibi Pulp	8	1931	$167,336
Algoma East. Rly. . .	5	1961	62,500
Alabama T. L. & P. .	5	1962	341,722
Black Lake Asbestos	6	1943	35,430
Brand.-Hend.	6	1939	20,940
Brompton Pulp	6	1939	28,146
Can. Steel Foundries	6	1936	109,500
Can. Salt	6	1934	9,780
Can. Nr. Rly.	3	1953	140,398
Do., Gold Notes . .	5	1925	275,000
Hal. & S. West. Rly.	3½	1942	77,822
G. T. Rly., deb. . . .	6	1936	750,000
Dom. Iron	5	1939	176,780
Dom. Sewer Pipe . .	6	1927	1,710
Dom. Textile	6	1925	98,025
Do.	6	1949	193,470
Dunlop Tire	6	1927	7,434
Elect. Develop. . . .	5	1933	229,387
Fraser Co.'s	8	1941	80,000
Hillcrest Collieries .	5	1940	8,125
Lake Sup. Paper . .	6	1941	150,000
Mexico Trams	5	1956	252,187
Mont. Pub. Ser. . . .	5	1942	63,050
N. S. Clay	6	1930	1,722
London St. Rly. . . .	5	1925	11,875
N. B. Power	5	1937	46,250
Ottawa Gas	6	1939	30,000
Prov. L. H. & Pr. . .	5	1946	27,775
Robin, Jones, Whit .	6	1930	6,042
Span. River Pulp . .	6	1929	44,040
Southern Can. Pr. . .	6	1948	139,125
Sao Paulo Trams . .	5	Perpt.	99,997
Toronto Paper	6	1942	22,500
Winnipeg Elec. . . .	6	1943	97,500
West. Can. Flour . .	6	1928	19,413
Do. . . .	6	1931	14,622
West. Koot. Pr. . . .	6	1940	33,402
Corporation Bonds . . .			$3,873,095
War Loan	5	1937	2,254,172
Municipal			x3,400,000
Provincial			x2,800,000
			$12,327,267

x—This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT MONTREAL, TORONTO, OTTAWA WINNIPEG, WELLAND
HEAD OFFICE MONTREAL

Dominion Textile Company LIMITED

Manufacturers of COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Atlantic Sugar Refineries LIMITED

General Offices: 211 McGILL STREET MONTREAL

Refineries - St. John, N.B.

MAPLE LEAF BRAND ALCOHOL

HIGHEST QUALITY—BEST SERVICE

Ethyl Alcohol—Cologne Spirits
Denatured Alcohol (All formulae)

Canadian Industrial Alcohol Co. Limited
MONTREAL
Distributing Warehouses
Montreal, Toronto, Winnipeg, Vancouver

TRADE MARK

LAKE OF THE WOODS MILLING CO., LTD.

Makers of FIVE ROSES FLOUR

Mills at Keewatin, Portage la Prairie, Medicine Hat

DAILY CAPACITY 13,700 BARRELS

President: FRANK S. MEIGHEN
Vice-President: WM. W. HUTCHISON

DIRECTORS:
Geo. V. Hastings, Abner Kingman, R. M. Ballantyne, J. K. L. Ross, Tancrede Bienvenu, R. W. Reford, W. R. Allan, Sir Lomer Gouin, K.C.M.G.

CANADA BREAD SHOWS WELL ON COMMON STOCK

Earnings About 12½ Per Cent.—Building Big Surplus

An addition of considerably more than $200,000 to the surplus of profit and loss—which now totals close to $925,000—after the payment of common and preferred dividends and making ample allowance for depreciation, etc., indicates that the year ending June 30 improved the ability of the Canada Bread Company to increase the common dividend distribution and this has no doubt been reflected by the stock market in the strength of the junior securities in recent months.

Earnings on the common stock, after payment of bond interest, sinking fund charges, preferred dividends, taxes and a substantial allowance for depreciation, were equal to $12.45 on the 25,000 common shares outstanding, compared with $13.32 in 1923 and $6.26 in 1922. Although the percentage earned on the common in the period under review shows a reduction from the previous year, the actual earnings showed an increase of some $400,000. A larger allowance for depreciation and increased taxes brought the amount available on the common below the 1923 figures.

Trading profits, after bond interest, amounted to $606,598, and with interest earned on investments of $20,791, total revenue was brought to $627,389, which compares with $585,819 in 1923 and $413,815 in 1922. Following is a comparison of the profit and loss account for the past two years:

	1924	1923
Manufact. profits	$606,598	$563,619
Interest earned	20,791	22,200
Total revenue	$627,389	$585,819
Depreciation	167,929	126,000
Bond purchases	12,500	12,500
Income tax	48,053	26,779
Pref. dividends	87,500	87,500
Com. dividends	100,000	......
Contingent res.	......	100,000
Surplus	$211,407	$233,039
Bal. forward	711,696	478,657
	$923,103	$711,696

Making New Records

"It is very pleasing for me to state," says Mark Bredin, president and general manager, "that again we have established a new record for volume of business during the year, and also that the number of customers served has increased by several thousand."

The acquiring of Milton's Bakery of Winnipeg during the year is reflected in the balance sheet. Property and good-will account shows an increase from $5,558,366 to $6,338,245 and depreciation reserve against this from $584,650 to $749,401. An appraisal of the company's assets was also made during the period and this no doubt accounts in part for the increased value of the properties and equipment as entered in this year's balance sheet.

Current assets at $510,340 compare with $479,805 and current liabilities at $238,630 with $119,786. Net working capital shows a reduction from $360,019 to $271,710. Investments are down from $500,894 to $174,122. This might be explained by the purchase of Milton's Bakery, as no increase was made in capital account to take care of this purchase, and it is quite possible some of the company's investments were sold in the market for cash with which to swing the deal.

Brookside Dairy Sells Preferred Stock Issue

From Our Own Correspondent.

MONTREAL. — Enlargements to the Brookside Dairy at Quebec are contemplated. The dairy has been incorporated and $25,000 of 7 per cent. preferred stock is being offered by Credit Anglo-Francais of Quebec city. The stock is being offered at 98, with a common stock bonus.

J. S. Royer, general manager of the wholesale grocery firm of J. B. Renard and Company, has become president of the Brookside Dairy.

BIG PLANT EXPENDITURE

American Cyanamid Co. during the past year spent a considerable sum on improvements to its Niagara Falls plant, the sum involved being $1,371,576. The company has secured a contract to supply Hollinger Gold Mines with cyanide.

Lyall at $10 a Share Arouses Protests from Shareholders

From Our Own Correspondent.

MONTREAL.—Stock of P. Lyall & Sons Construction Company has been selling between 10 and 15 lately, which is a sad drop from the high point of 165 reached five years ago. Even if it is admitted that the 165 price was never justified, but was the result of manipulation by an individual no longer connected with the company, it cannot be forgotten that for many years Lyall always sold up around 75 and had a good reputation on the exchange.

It is no wonder then that shareholders have been feeling very much downcast by the developments in the market for their security, and are asking themselves what future the company has.

For several years past each annual statement has given promise of improved conditions, but when the succeeding year has rolled around and another annual statement has been presented, it has usually been found that some unforeseen circumstances has served to reduce profits. Last year it was the act of the Dominion government in enforcing a fair wage agreement on the Welland Canal that was blamed for the failure of the company to make substantial profits. It was pointed out that $185,000 of additional expense was incurred for these increased wages without any commensurate return. The company has in mind attempting to recover the additional sum from the government, which has both given the contract and forced the increase in wages, but no definite indication that the recovery could be made has yet been given.

Lyall is not without a good volume of business, and it is doubtful if the company's physical equipment could handle much more construction work than it has under way at the present time. It is finishing up work at Esquimault for the government; is in the midst of a big program on the Welland Canal; has the contract to complete the tower at the Parliament Buildings at Ottawa, and also got during the past year a contract for the Archives Building at Ottawa. During the past fiscal year it did $3,000,000 worth of business, and has on its books about $11,000,000 of business, sufficient to keep it busy for two years or more.

Business Not Very Profitable

Unfortunately this business is not proving very profitable. The contract on the tower at Ottawa is on a basis of cost plus 10 per cent. to the company as its fee, but the other work has been taken at a certain contract price, and the increased wages the company has to meet have absorbed much of the expected profit. Officials of the company state that if normal wages can be effected this fall, that the company's earning power will increase considerably.

A number of questions have been put to THE FINANCIAL POST recently by various shareholders who are feeling anxious concerning their security. Some of these questions are in the nature of definite charges against the management.

One statement that has been made is that the company has been saddled with the loss of some of the directors in connection with the William Lyall Shipbuilding Company in the West. This was a war venture that suffered severe losses. The company had contracts with French firms, but, unfortunately, the armistice news came through on the very morning the directors were in New York to collect from the party for whom they had built ships. The payment was stopped, and while legal action has been successfully carried through Canadian and British courts the money has not yet been recovered. Those in close touch with the company assure investors that this loss has been incurred personally by the directors and their associates, and has at no time been added to the liabilities of the Lyall Company, and this assurance should set this story at rest.

Not All Cost-Plus

Another question brought up by shareholders can be framed thus: If the company did $3,000,000 worth of business last year on its usual basis of cost, plus 10 per cent., why did it not show profit of $300,000? The answer, of course, is that the company does not do all of its business on the cost-plus basis. As pointed out above, only the contract for the tower of the new Parliament Buildings is on this basis.

Another shareholder asks: What is the security for the $1,250,000 bank loan of the company? He sees no apparent assets in the balance sheet that would justify a bank in making this loan and wonders if certain assets of the company have not been concealed. In this case the explanation is that the bank loan is secured by such things as accounts receivable, work in progress, and the deposit with the government. These items are more than sufficient to cover the bank loan.

Common Widely Held

The Lyall family and directors are not largely interested in the common stock of the company. When the new organization was formed a number of years ago, the preferred shares were given to the Lyalls for their interest in the former company. The common shares were largely distributed in the form of bonuses. It is hardly likely that the Lyall family will acquire common shares around present prices, although it would seem that in the ordinary course of events people controlling an organization would express their faith in their company by buying up the stock at low levels, and thus combining a good investment with some support for the market. But there are reasons why this is not being done. One of the directors has other important interests that are requiring his surplus funds just now. Another director has virtually retired. A third has sustained reverses in other directions that prevent his making substantial new investments in Lyall. Still a fourth director is likewise curtailing rather than enlarging his investment interests. And so it goes.

This means that there is practically no demand for Lyall shares from any quarter able to absorb a large number of shares. And as stock has been thrown on the market; by estates; by those who purchased it a few years ago when there were rumors of a new engine that was going to make the company prosperous; by disappointed shareholders and other individuals, it will be seen that there has been only one direction for the common shares to move, and that direction is downwards.

It is hard to size up prospects. The construction and contracting business has changed since the days when Peter Lyall had most of the government business. The company has been able to get business in the past and can get it now. Despite complaints and charges of shareholders, the situation regarding the stock is more a "technical" one, to use stock market parlance, than one based on the company's position. And a technically weak position of this nature is a hard one to deal with. If the group of shareholders who are threatening to organize in opposition to the present directorate bring their plans into execution, more information will likely be available to enable shareholders to see what is ahead of them.

Investment Trusts

By PRISTINA S. HUCKER, in Commerce and Finance.

When the governors of the New York Stock Exchange made a ruling the other day on the participation of members of the board in so-called "Investment Trusts" they directed the attention of the country at large to a type of company which is entirely new to the American public.

It was unfortunate that the first formal recognition the stock exchange authorities gave to the existence of investment trusts in this country should have been made in such a way as to raise doubts in the minds of uninformed persons regarding organizations of that character, because the theory on which investment trusts have been created is a sound one, and the end in view is praiseworthy.

All of us are familiar with the old adage "Never put all of your eggs in one basket." That homely saying is the underlying principle of the investment trust. Broadly speaking, an investment trust is a device the object of which is to give to the small investor the same advantages of diversification of investment as the large capitalist enjoys so as to reduce to a minimum the risks that security ownership involves. The modus operandi of the investment trust is very simple. A corporation is formed for the purpose of accumulating securities of a number of different companies of proved earning power. Those securities are impounded in the hands of a trustee. Against them the corporation issues its own investment trust shares and distributes them to the public. The interest and dividends which the investment company receives from the securities which it has acquired and impounded furnish it the income with which it in turn may distribute dividends to the owners of the stocks which it sold to the public. As every well-managed investment trust company buys none but income-bearing securities of approved corporations, it has available for distribution dividends on its own shares virtually from the time its organization has been effected.

Depends on Management

Assuming that the management of an investment trust is competent and aims solely to please its stockholders, the holder of shares in an investment trust enjoys all of the advantages of a well diversified investment which the larger capitalist is able to obtain through his individual acquisition of a large variety of securities. He has, in fact, an investment ready mixed. His risks are spread out over a large number of different securities, with the result that his own capital is not risked on the varying fortunes of any single corporation.

The theory of the investment trust is that out of a certain number of different investments some may result in loss to the investor, but the profits accruing from the remaining investments will more than offset those losses and assure the investor a steady income. The stock and bond holdings supposedly comprise a large variety of investments. They represent not only different corporations but different industries. The diversification may be carried further so as to include securities of different countries.

The principle involved is that which every rich individual investor adopts in purchasing the securities from which he derives his income. On the same principle are invested the vast sums of money which insurance companies and other fiduciary institutions have at their disposal. Every savings bank, trust company, and mercantile bank invests its funds on that principle. It is in fact the only safe principle on which to invest money. However, until the investment trust company was devised the man of moderate means had not available any investment mediums which gave him the same advantages as are enjoyed by wealthy individuals and big corporations.

The investment trust is an exotic product. Unknown to this country a few years ago it has enjoyed a half century of successful and profitable history in England, and is known also on the continent of Europe. It, therefore, is not a financial experiment, but a proved and highly satisfactory medium of capital investment, more particularly among the British people.

Being in its infancy in the United States, the investment trust quite naturally has not reached the state of development here that it has attained abroad. It is neither as elaborate in its organization nor does it command the high position in the investment field here that it does in Europe. One of the typical investment trusts formed here is the recently organized United American Railways, Inc. This company owns shares of seventeen different American railroads. Back of each $10,000 par value shares of the trust are 115 shares of these railroads, included among which are the Atchison, Topeka & Sante Fe Railway, the Atlantic Coast Line, the Canadian Pacific, the New York Central, and the Reading Company. The investor in the shares of that investment trust will participate in the earnings of all of those companies. He will not be dependent upon the results obtained from one alone. The advantage is obvious. Another typical American investment trust is that of the American Trustee Share Corporation, which owns stock of ten leading industrial companies, among them the United States Steel Corporation, the American Telephone & Telegraph Co., the Studebaker Corporation, the Texas Company, the American Woollen Co., and the United Bankers Oil Co., which owns shares in ten Standard Oil Companies; the American Chain Stores, which purchased stocks of the biggest chain store corporations, and the United American Electric companies.

When one examines into the British investments, it becomes apparent at once that the foreign concerns differ from those formed here in a number of very important respects. The American investment trusts have invested only in shares of various corporations, not in bonds. The scope of their investment also is restricted in other respects. Most of them have been limited to one industry. Thus one has invested solely in railroad stocks, another in oils, a third in merchandising companies, and so on.

British investment trusts are not only much larger in the scope of investment but also represent a greatly broader diversification of interest. For example, one typical British investment trust, according to its annual report, owned 231 different securities, of which 99 were industries, 70 were railroads, 42 were public utilities, and 20 were government and municipal issues. Another had invested in 207 different kinds of holdings, 95 being different industries, 49 railroad issues, 46 public utilities, and 17 government and municipal securities. The percentage of different holdings of the Foreign and Colonial Investment Trust, Ltd., were as follows: Industrial 10 per cent., railroads 36 per cent., public utilities 16 per cent., and government obligations 38 per cent.

The nature and diversification of those English investment trusts compares in an interesting manner with the investments in securities of the New York Life Insurance Co. of New York, one of the greatest and most successful institutions of its kind in the country. According to the seventy-ninth annual report, covering 1923, that company last year invested $43,816,340 as follows: $11,013,860 in United States government bonds, $13,569,960 in domestic railroad bonds, $9,216,596 in domestic public utility bonds, $494,700 in Canadian municipal bonds, and $5,470,312 in British and other foreign bonds. The similarity of diversification of the New York Life Insurance Co. to those of the British investment trusts is very marked. Contrast that with the concentration of the American investment trusts in stocks representing a single industry, and the advantage very plainly is with the British companies. In fact the British investment trusts cover the investment field of the world, mixing foreign with domestic securities in many instances in an effort to not only spread the investment as widely as possible, but to obtain the largest possible income. As the result of such a policy investment trusts of long standing sometimes pay very large dividends in England. Thus the shareholders of the British Investment Trust, Limited, which was established in 1889, and which invested one-half of its funds in American stocks and bonds, paid 13 per cent. annually in dividends on its shares, and more recently has paid 14 per cent. a year. Some other English investment trusts have been paying 25 per cent. annually in dividends for years. The extent to which investment trusts have become the vogue in Great Britain is indicated by the fact that securities of approximately 150 different investment trusts are listed on the London Stock Exchange, having an aggregate capital of $600,000,000. The investment trusts of England were put to the acid test during the world war when they, with few exceptions, were able to continue payment of their regular dividends owing to the complete diversification of their investments.

Reverting to the recently formed American investment trusts, the ruling of the stock exchange regarding them has been misinterpreted. It has been asserted, for example, that the stock exchange forbade its members to participate in formation of investment trusts. A careful reading of the resolution which the governors of the exchange adopted fails to disclose any such intent. That resolution says:

"Resolved that participation by a member of the Stock Exchange or Stock Exchange firm in the formation or management of investment trust corporations or similar organizations which in the opinion of the governing committee involve features which do not properly protect the interests of investors therein may be held to be an act detrimental to the interests or welfare of the exchange."

It obviously was and is the purpose of the stock exchange only to warn its members against participation in those investment trusts which have not been formed along sound principles.

The trust agreement of an investment trust is vital to the security of the investor. Some of the investment trusts organized here do not make provision for outside trustees. The corporation itself is the trustee of the impounded shares. Nor is any provision made against substitution of shares for those originally impounded. The best investment trusts impound their shares with trust companies. The officers of the investment trust have no power whatever to substitute other shares or securities for those originally acquired. The trustee has the power to liquidate shares which prove unsound, but his power of substitution is strictly limited.

Negotiations are in progress for listing shares of certain of the investment trusts on the stock exchange, but, owing to technical points involved, it probably will be some time before any of those shares actually are listed there. Meanwhile some of them probably will be listed on the New York Curb Market Exchange.

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News of the Mines for the Investor

ENGLAND A HEAVY BUYER OF SHARES OF VARIOUS MINES

Several Large Orders Were Expected During the Week

The mining market has not been without its bright spots during the week. There is a better feeling abroad in regard the market, and street leaders feel that it will not be long before the public will again show an active interest in the lists. They say that there are signs which point unmistakably to this and already a small amount of new trading has made its appearance.

An important factor in trading this week has been several large orders for shares that have come from England. Two orders from entirely new houses made their appearance and were responsible for some of the advances. Orders for Keeley were particularly heavy.

Perhaps the most interesting recoveries of the week were Dome and C. W. Dome. Both these issues came back with quite a show of strength. Both were in fairly heavy demand. It is understood that the mill of West Dome is now operating. It will take at least six weeks to see how operations are going to turn out.

The other leading golds show good strength while the same can be said of the silvers. Activities in Lorrain, Cobalt and Gowganda are steadily spreading out and the interest in the silver shares is becoming greater than ever. No doubt a great deal of this is due to the price of silver and the predictions that are becoming fairly general that a higher price is to be expected in the near future. The heavy German buying is an important factor.

PETROLEUM OUTFIT SHOWS A DECLINE

Canada's Output is 9,000 Barrels Below the Year Previous

Production of crude petroleum in Canada in 1923 was 170,169 barrels valued at $522,018 as compared with 179,068 barrels at $611,176 in the previous year, a decline of approximately 9,000 barrels. The average value per barrel received by operators was: New Brunswick, $4.04; Ontario, $3; and Alberta, $4,23. The bounty paid totalled $86,990. The figures by provinces:

Field	Barrels	Value less Bounty	Bounty Paid	Total Value
N. B. ...	8,826	31,992	3,650	35,642
Ontario .	159,400	394,910	83,239	478,149
Alberta .	1,943	8,126	101	8,227
Canada .	170,169	435,028	86,990	522,018

Platinum Values Run $13 in Elbow Lake Area

In regard to the platinum strike at Elbow Lake, Northern Manitoba, reported a short time ago, samples carrying the mysterious grey mineral were taken from Coupe, Brownie and Bliss mineral claims, situated on the northwest shore of Elbow Lake, and submitted to E. W. Widdowson, the assayer, at Nelson, B. C. The result now at hand describes the samples submitted as being reddish quartz with copper pyrites and galena, and the contents given as 21 ounces gold value $4.20, silver valued at 92 cents and platinum with a value of $13.12. Samples taken indiscriminately from these claims where a platinum assay was not requested have assayed as high as $60 in gold and two ounces in silver.

English Capitalists Are to Look Over Mines

F. H. Hamilton, president Huronian Belt which has a large interest in Keeley, Vipond and Canadian Lorrain mines, and which is spending $250,000 in exploring properties in Northern Ontario, is to visit Northern Ontario shortly. Sir Robert Clough is also coming to look into a number of enterprises and will pay a visit to Blue Quartz at Pain Killer Lake, and Barry Hollinger at Boston Creek.

Nipissing Production Has Material Decline

Nipissing's silver production this year is falling below that of a year ago, the decline for seven months being estimated at 230,000 ounces, To end of July output was 1,743,000 ounces compared with 1,973,000 ounces. Dividends are being well earned, however.

RICH MINERAL FIND

VANCOUVER.—A red rock sent by a Lytton man to the Provincial Chamber of Mines, as a curiosity, may prove to be a rich find for him. He forwarded the sample as being "where the Indians got their war paint." It is a natural pigment, valuable in the manufacture of high-grade paints. Investigations are being made to determine if there is any quantity of the stone.

SILVER AND OTHER METALS

August	25	26	27	28
Silver—London, (d.)	34 3/16	34⅛	34 3/16	34 5/16
N. Y. ...	68⅛	68⅛	68⅝	68⅝
Copper . .	—	13½	13½	13⅝
Lead	—	8.00	8.00	8.00
Zinc	—	6.25	6.22	6.22

Sterling Plays Part in Speculation in Silver

The relation between gold and silver is of such great interest to speculators in China that no powerful movements in the gold value of sterling exchange can occur without some repercussion in the business centres of the Far East. Hence it may be gathered that, for the time being, the sterling exchange with the United States dominates the silver market, says Samuel Montague Co., London, in their silver letter and add. Apart from the vagaries of exchange the market appears to be inherently sound, as demand for the Far East promises to be good, and competition is likely to arise from Continental Mints. Further, the bear account has now become very substantial.

PRODUCTION OF GOLD CLOSE TO 1922 RECORD

Only Twice Have Output Figures Been Exceeded—Yield Well Above 6-Year Average

Figures for the 1923 gold production of the Dominion, just issued, show last year's output to be practically on a level with the record production of 1922. The figures were 1,243,341 ounces valued at $25,702,139 as against 1,263,364 ounces worth $26,116,050. The decline is only 1.5 per cent.

In order of importance among the provinces, Ontario came first with an output valued at $20,293,622; British Columbia came second with $4,137,261; the Yukon produced $1,243,287; Quebec $13,788; Nova Scotia $13,540, and Manitoba $641. Placer production was $1,589,810.

The production and value of gold mined in Canada during the past six years were as follows:

	Output oz.	Value $
1918	699,681	14,463,689
1919	766,764	15,850,423
1920	765,007	15,814,098
1921	926,329	19,148,920
1922	1,263,364	26,116,050
1923	1,243,341	25,702,139

Hard Luck Has Been Lot of Porc. Davidson

The consistent run of hard luck which has followed Porcupine-Davidson was recently commented on by London Mining World, in which it urges shareholders to continue patient. It says:

> Prices for Porcupine-Davidson shares are unduly depressed, and in our view a recovery may be expected. The company, like all new undertakings, has had its difficulties to face, and in the case under review these difficulties have been numerous. Undoubtedly the foremost difficulty was in connection with power shortage, whereby it may be calculated that 12 months was lost. Then again, on at least three occasions, operations have been delayed through excess of water, necessitating sumps being cut. The last of these should drain off the water from the old shaft. Those who are holders of the shares at higher prices should remember that the property has been favorably reported upon by three well-known and highly-esteemed mining engineers, Mr. Frank C. Loring, Mr. George E. Bent and Lieut.-Col. Rowland C. Fielding, D.S.O. The shaft is now over 700 ft. deep, and shareholders are advised to exercise a little more patience.

Wright Hargreaves Gets Ready for Bigger Mill

Wright Hargreaves is setting the stage for its mill increase by cutting some new stopes. These will prepare the rich body of No. 1 vein on the 1,000-ft. level for active mining and also open up some of the larger lower grade bodies. These latter show widths up to 40-ft. The new mill will handle 400 tons of higher average ore so that earnings should more than double.

SALT OUTPUT HIGHER

Bulk of the Production from Salt Plants of Ontario

Canadian output of salt in 1923 amounted to 206,985 tons, of which quantity 202,397 tons valued at $1,713,516 was marketed. The sales for 1923 showed an increase of approximately 21,000 tons or 12 per cent. in quantity and $85,000 or 19 per cent. in value, over those for the previous year. Of the total sales 97.7 per cent. was from plants operated within the province of Ontario; the balance, or 4,480 tons, was shipped from the Malagash mine in Nova Scotia.

Sullivan the Largest Zinc Mine in World

Some idea of the size of the Sullivan mine, the big zinc-lead producer of Consolidated Mining and Smelting, is given in facts compiled by Stobie, Furlong and Co., for their clients. They say that the mine is estimated to contain over $70,000,000, but with an exceptional opportunity of multiplying this under development. They add:

> There is no definite official figure of how large the Sullivan mine is, or what ore reserves have been developed in the Rossland properties. However. mining authorities have expressed the opinion that the Sullivan mine alone will produce 1,000,000 tons a year of lead-zinc ore running over 20 per cent. in the combined metals, for over 40 years. This, together with its smelters. refineries, and power plants, not to speak of other mining properties, makes Consolidated one of the greatest mining industrial stocks in the world. whose shares should steadily enhance in value for a long time to come.

AFTER A MILL

Canadian Lorrain is reported as negotiating for milling equipment.

YEAR OF PROGRESS IS STORY TOLD BY McINTYRE REPORT

Stock Will Go on 20 Per Cent. Basis Next Month

The McIntyre annual report for the year ending June 30, is a story of progress in every possible way. Earnings are higher, costs are lower, reserves are higher and it is announced that the dividends are to go higher. Bullion recovery was $3,391,178, better than a million higher than a year ago. Net profits fell just short of being $600,000 greater and the amount carried to surplus was just under a half million more. Surplus, on the other hand is almost double the amount forward from 1923 due to premium on the sale of shares under the Miller option.

The profit and loss table follows:

	1924	1923
Bullion recovery ..	$3,029,178	$2,249,742
Oper. costs	1,615,453	1,167,644
Adm. expense	172,879	166,873
Oper. profit	$1,502,846	$ 915,225
Other revenue	77,537	56,620
	$1,580,383	$ 971,845
Less—		
Taxes	91,914	52,677
Depreciation	295,628	179,658
Sundry chgs. ...	97,839	139,939
Dividends	559,639	546,042
Surplus	$ 535,363	$ 53,529
Brought for.	1,795,615	1,638,422
Prem. on share sale	611,272	103,664
Plenaurum deal ..	195,2393	....
Surplus	$3,137,489	$1,795,615

President Bickell in his statement to shareholders announced that commencing with the September dividend the stock will be placed on a 20 per cent. instead of a 15 per cent. basis. The company has paid the latter rate since first starting distribution. Mr. Bickell stated that the enlarged operations of the company were made possible by the adequate supply of power. He makes announcement of the plans to sink the new 4,000 foot shaft and also that the company now owns a 75 per cent. interest in the Platt veteran claim and 98 per cent. of the Plenaurum.

The report of General Manager R. J. Enis, shows that the mill heads of the mine stood up well under the increased production, the average recovery being $9.70, compared with $9.76 the year previous. The tonnage figures and their value, indicate the real progress made in the year's operations. The figures:

Ore figures:

Hoisted	Tons	Value	Ave. Per Ton
1924	360,356	3,494,998	9.70
1923	242,891	2,375,789	9.76

Ore reserves stand well with the year's production, the estimated value of the ore in reserves being the same average as the year's production. There is an increase of almost $3,000,000 in reserves. The figures:

Ore reserves:	Tons	Assay	Value
1924	1,167,064	9.70	11,313,816
1923	858,504	9.92	8,514,800
Broken ore:			
1924	182,184	9.90	1.813.557
1923	155,881	10.24	1.597.522

Part of the story of the McIntyre success for the year is due to the increased management of Mr. Enis and his staff. They succeeded in cutting costs 58 cents per ton and are now below $5. A reduction in costs of each important department is shown. The figures:

Operating Costs Per Ton	1923	1924
Mining	$3.32	$3.165
Milling	1.11	.985
Miscellaneous	1.11	.815
	$5.54	$4.965

The review of development reveals a very active year. Mr. Enis says:

> Development work during the year has been satisfactory. The lower levels are opening up in a gratifying manner and no adverse geological conditions have been noted as likely to interfere with the values, the character, or general continuation of our vein systems.
>
> We have continued to examine prospects in Northern Ontario and Western Quebec and at present hold under option a number of claims upon which we are carrying on exploration work.

MINING STOCK QUOTATIONS WEEK ENDING AUGUST 26

	High	Low	Close Aug. 26	Close Aug. 19
Argonaut.....	37	32	36	33
Atlas.........	3¼	3¼	3¼	3¼
Baldwin......	2¼	2	2	2¼
Beatty.......	3½	3¼	3⅜	3½
Beaver.......	14¼	14	14¼	14
Bidgood......	6¾	6¼	6¾	6¾
Boston Creek.	8	8	8	6
Buckingham ..	4	3¼	3¼	3⅜
Can. Lorrain..	66	62	64½	61
Capital.......	37	33	36¼	35½
Castle Tret ...	73¼	69	70	73
Clifton Con...	11	10	11	13
Cons. Smelters	44¼	42	43	43¾
Cons.W.Dome.	20	16¾	20	17¼
Crown Res....	50	46	47	49½
Dome Mines..	16.55	15.20	15.25	15.20
Everett.......	5	4⅜	4⅜	5
Gold Reef....	1¼	1¼	1¼	1⅜
Goldale.......	20	19	19½	18½
Hattie........	3½	3	3	3¼
Hillcrest P....	80	80	80	83
Hollinger.....	14.15	13.90	14.00	13.95
Hunton......	10⅜	8½	8½	11
Inspiration....	10	10	10	10
Indian	12	8	8	11
Keora........	11¾	10½	11¼	11½
Keeley.......	2.28	2.25	2.30	2.28
Kirk Lake....	18½	17½	18½	18
Lakeside......	8¼	7	7⅜	7
Lake Shore...	3.95	3.91	3.94	3.92
Lorrain T.L...	1.30	1.26	1.30	1.25
Lorrain.......	18½	18	18	18½
McIntyre.....	15.90	15.55	15.75	15.75
McKinley	10½	10	10½	10½
Mining Corp..	2.46	2.33	2.46	2.37
Newray......	21½	19½	19¾	20½
Nipissing.....	6.25	6.15	6.20	6.15
Night Hawk..	30	30	30	35
Ophir........	3¾	3⅜	3¼	3⅜
Preston E.D..	12	11½	12	11½
Pete Lake....	9⅜	9½	9⅜	9⅜
Porc. Crown...	6½	6½	6½	6½
Rouyn.......	20	20	20	20
Silver Leaf....	½	½	½	½
Teck Hughes .	1.30	1.26½	12	11½
Thompson Krist	1¾	1¼	1¼	2
Timiskaming..	17½	17	17½	19
Tough Oakes..	61	56¾	58½	58
Tretheway....	14	12½	12½	13½
Skead........	19	18½	19	18½
Vickers.......	9	7	9	9½
Vipond Cons..	1.07	1.01	1.07	1.01
West Tree....	4½	4¼	4⅜	4½
Wettlaufer....	21½	21¼	21½	22
Wright Har...	3.70	3.55	3.55	3.75
New York Prices				
Int.Nickel,com.	19⅜	18¼	19	19½
Oil Companies				
E.A. Oil......	34	33¾	33⅜	34
Imperial......	104	103½	104	107
Inter. Pet.....	19½	19⅜	19½	19½
Mutual.......	11½	11	11½	11¾
North Star,pref	3.50	3.50	3.50	3.25

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No Laws in England to Prevent Selling Wild-cat Mine Shares

Thomas W. Gibson, Deputy Minister of Mines for the Province of Ontario, is in Great Britain to follow up the work of his departmental chief, the Hon. Charles McCrea, interesting London mining men, financiers and investors, in Ontario mines, and there is no doubt that these efforts will meet with success. He says that the interest is shown chiefly in gold-producing areas of Ontario, now ranking next to the Transvaal and the United States in output of the precious metal. This year's production will amount to $25,000,000, or half the United States total. With the present showing, the prospect of still greater developments is attracting attention, which promises many millions of capital to be invested.

Mr. Gibson finds that there seems to be a feeling in London that the provincial governments ought to do something to prevent the offering of shares in doubtful companies. Mr. Gibson did not think this feeling reasonable, because in England, itself, there is absolutely no regulation to prevent anybody from offering any shares in any concern, no matter how worthless. Whatever protection is given to the purchaser of shares in England is given, not by law, but by the stock exchange, which requires evidence of the genuineness of a company before permitting share dealings. We presume, says Kingston Standard, that Mr. Gibson is correct in his statements, but so far as our knowledge goes there are more legal requirements in prospectuses in Great Britain of mining companies than in Canada. However, that may be, the immediate point is that there would appear to be a chance of Ontario's mining development being interfered with by wild-cat schemes both here and in the Old Country. Every effort should be made to suppress them. We can recollect a time when Canada's mining interests were seriously damaged by such schemes, and this should not be allowed to occur again.

Diamond Field Will Be Found in North

Somewhere in Canada there is a diamond field. Nobody knows where it is, and its existence is a matter of supposition rather than actual knowledge. The supposition is based on the finding of some hundred or more diamonds in states on the international boundary, says Port Arthur News Chronicle. Since these jewels have been found in widely separated areas and in the total absence of geological formation capable of yielding diamonds, the source of their origin is placed in Northern Ontario. The medium of their journey from the diamond fields to the place of their finding were some one of the glaciers that passed over the north of North America thousands of years ago.

These glaciers ground mountains into flat lands, and left exposed the hills and plains valleys we now have. On the way down the glaciers carried the dust and dirt, resulting from the grinding process and, retreating deposited it in the shape of earth and rocks. One of the mysteries is what became of the gold that was torn from the matrix the precious metal occupied, for little evidence has been found of placer gold on this side or the other side of the height of land. Of diamonds we have heard of no discoveries in the north. Nevertheless, the search for the bed from which the traveling gems came in the long ago may be located by some lone prospector, even as now the members of that essential fraternity are uncovering new gold and silver fields almost daily during the summer season all through Northern Ontario.

The diamonds so far found have been of an uneven quality, some approaching in appearance those of South Africa, but more generally they have not been of the pure white variety. That, however, does not mitigate their value as ornaments. and the man who can locate the field whence they came will be most fortunate.

RHODESIAN MINES OUTPUT

Output of Southern Rhodesian mines in July was as follows: Gold 54,483 ounces, valued at £262,236; silver 14,008 ounces; coal 56,517 tons; chrome ore 16,094 tons; copper 236 tons; asbestos 2,664 tons; arsenic 19 tons; mica 15 tons. Diamond production was 75 carats.

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Perfect Growing Weather Maturing Western Crops

The following communication with regard to crop conditions on the prairies has just been received by wire at the head office of the Canada Permanent Mortgage Corporation:

Manitoba.—"The weather still continues favorable. The past few days have been warm and bright, with drying winds."

Saskatchewan.—"The weather is perfect for harvesting in the earlier districts, and for ripening the grain in the later areas."

Alberta.—"There has been no frost. Weather conditions are excellent, and if this continues, harvest will commence next week, and will be general by September 8."

Current Events in Banking World

BANKER SHOULD PAY CHEQUES UP TO THE BALANCE

Important Point When Number of Cheques Presented

By A. B. BARKER,
Manager Toronto Clearing House.

In connection with the bank's relations with its customer, it sometimes happens that the customer issues cheques upon his account for which he has not provided funds. In such cases it may also happen that where the customer has issued several cheques there may be funds at his credit sufficient to pay some, but not all of them, and the question will be, which cheques should be paid? Ordinarily the rule is to honor the cheques in order of their presentation, and when they are presented one at a time, no difficulty will arise. When, however, under the clearing house system now in vogue, a number of cheques are received at practically the same time, which should have the preference in case there are not sufficient funds for all?

Early legal opinion was to the effect that, under these circumstances, none could have the preference, and unless there were funds sufficient to pay all the cheques, the duty of the bank was to return all unpaid. This also seemed to be the opinion of American lawyers, in the absence of court decisions. The point is of moment in clearing house dealings, which are governed by definite rules based often upon court decisions or legal opinion.

There have been no court decisions in Canada covering this particular point, though there are several in both Great Britain and Canada which make it clear that cheques must be honored in the order in which they are presented. A recent case decided in Massachussets made it very clear that, in the opinion of that court, any loss by reason of the payment of certain cheques out of a number presented up to the amount of the balance of the drawer, and refusing others, must be borne by the drawer. In accordance with the solicitor's opinion referred to, a bank in that state refused to pay either of two cheques presented at the same time, because the total amount of the cheques exceeded the balance at credit of the drawer, although there were funds sufficient to meet either one. The court held that one cheque should have been paid. The decision is, in part, as follows:

"The court knows of no reason why this should be done (i.e., refuse both cheques when there are funds for either); the bank is not injured; the payment of the cheque in accordance to its discretion imposes no hardship on the customer. All the bank is required to do is to pay the cheques in whatever order he decides until the depositors' funds are no longer sufficient to pay any of the remaining cheques. The depositor cannot complain that some of the cheques have been selected for payment and some refused. He is himself responsible that his account is insufficient to pay all his cheques. He has caused the condition, if any damage is caused because some of the cheques were dishonored, the loss must fall on him."

A decision in a foreign court, of course, is not binding on our courts, but the verdict referred to is based on the practical business view, and legal opinion in Canada now is that where a number of cheques on an account are presented through the clearing, and for which there are funds sufficient to pay only a part of them, a discretion would be imposed on the banker to pay the cheques in whatsoever order he decides until the deposited funds are no longer able to pay the remaining cheques.

Long before the matter had been decided by the courts and lawyers there is little doubt that the method now sanctioned by legal authority was the usual custom in practice, and it is difficult to see how the former pedantic system could have worked in actual business. Still it is a good thing to have the point definitely settled.

Weekly Bank Clearings

(In comparison with same week last year)

Eastern Cities	Aug. 23, 1923	Aug. 21, 1924
Halifax	$ 2,537,290	$ 2,857,373
St. John	2,825,719	2,259,984
Moncton	1,109,225	728,796
Sherbrooke	855,712	698,962
Quebec	6,524,630	5,193,193
Montreal	95,515,583	95,940,297
Ottawa	5,509,771	6,361,572
Kingston	811,649	856,392
Peterboro'	717,661	764,719
Toronto	89,682,844	84,431,846
Hamilton	5,479,138	4,935,226
Brantford	989,188	773,377
London	2,442,260	2,377,908
Kitchener	793,595	795,230
Windsor	3,267,248	3,656,875
Total East	$219,061,513	$212,631,750

Western Cities	Aug. 23, 1923	Aug. 21, 1924
Fort William	1,159,158	773,222
Winnipeg	31,008,170	40,946,078
Brandon	589,022	646,297
Regina	3,359,354	3,040,125
Moose Jaw	1,153,143	944,659
Saskatoon	1,621,583	1,533,375
Prince Albert	321,865	305,858
Lethbridge	548,915	565,877
Calgary	4,475,084	4,770,731
Edmonton	3,832,679	3,995,123
Medicine Hat	248,390	252,551
New Westminster	......	621,837
Vancouver	42,236,176	15,351,324
Victoria	2,022,438	1,907,180
Total West	$92,574,977	$75,654,237

Banks Have Confidence In Western Canada

CALGARY.—Canadian banks are once more prepared to come forward and provide any credit required to finance the harvesting of the crop in Western Canada this fall, according to a statement made here to-day by J. A. C. Kemp, Toronto, chief inspector of the Canadian Bank of Commerce, who is at present on a tour of Western Canada in company with C. W. Rowley, of Winnipeg, Western inspector of the Bank of Western Canada.

"The banks have the best feeling for the farmers," said Mr. Kemp, "and bankers still have plenty of confidence in the West."

Exchange

The week has been marked by the lack of any spectacular movements on the exchanges. The undertone has been strong in almost all currencies in spite of a moderate degree of profit taking. It is stated that funds are still moving freely from United States cities to the London market.

The Canadian dollar continues to touch par periodically, while there is usually a slight discount in New York on opening. With the Canadian trade balance in so favorable a position, the buying of new Canadian wheat just beginning, and United States investors turning to Canada, it is felt that exchange will be at, or close to, par for some time, with a possible premium over the United States dollar from time to time.

NEW YORK FUNDS

			Last year	
	High	Low	High	Low
Aug. 21 ..	1-16	1-32	2 21-64	2 5-16
Aug. 22 ..	1-32	par	2 11-32	2 5-16
Aug. 23 ..	1-32	1-32	2 11-32	2 5-16
Aug. 25 ..	3-64	1-32	2 7-16	2 11-32
Aug. 26 ..	1-32	1-64	2 1-2	2 7-16
Aug. 27 ..	1-32	1-32	2 15-32	2 3-8

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Aug. 21 ..	4.50⅞	5.45½	4.43¾
Aug. 22 ..	4.49⅛	5.38¼	4.42½
Aug. 23 ..	4.47 9-16	5.32½	4.41¼
Aug. 25 ..	4.48½	5.40	4.42½
Aug. 26 ..	4.48⅝	5.39½	4.42¾
Aug. 27 ..	4.48 9-16	5.40	4.42¾

Christmas Savings Clubs in United States Banks

The psychology of the proposition is what seems to be getting more depositors than any other system invented, since the phenomenal growth of the Christmas Savings Club, and the interest of bankers in savings clubs was strongly evidenced in the deliberations and conferences of the banking development departments of the American Institute of Banking, during their convention at Baltimore.

In the case of the Kansas City National Bank, 20,000 advance credit bank books were distributed containing an initial deposit of $1 subject to the condition that the dollar could not be withdrawn, nor was it to be considered a liability of the bank until the depositor had saved $1,000. In other words, banks' advertising matter shows that it should be everybody's ambition to get $1,000, and that the first $1,000 is the hardest to get.

They asked the recipients of the book to accept the $1 in the spirit in which it was given, stating that it was not the amount; it was merely the idea and the spirit of getting them started. The psychology of the proposition, so the bank states, is that it is against human nature to throw away a bank book with a credit of $1 in it.

The records of most of the 600 banks using this system show that 50 per cent. of the people into whose hands a bank account and bank book is placed unsolicited with a credit of $1 in it, will keep it active. In other words, it shows that the reason every man, woman and child has not a bank account, is because they merely lack the initiative to open a bank account.

This proposition was worked out by the American Credit Men's Association, which has a large bank membership, and was worked out along the lines that it was unnecessary for a bank to spend $1 or $2 for solicitors to get accounts. The average cost to five banks who had secured 5,000 depositors or over on this system has been less than 7 cents a depositor, by virtue of the fact that the cost of the bank book could not be counted as an actual cost for the reason that the bank would have to supply the recipient or the depositor with a bank book anyway.

This system is owned by the American Credit Men's Association, headquarters in Philadelphia, and the bankers are allowed to use it without compensation.

Vast Improvement in Saskatchewan Crops

From Our Own Correspondent.

REGINA. — Telegraphic reports just received indicate that the crops throughout Saskatchewan have made steady progress during the last two weeks, the best crops being in the southern part of the province. A marked improvement, however, is apparent in the east, central and the northern districts, and some fair yields of wheat are expected. In the central-west-central districts, the early drought was more severe and the crops generally will be light. The weather the last two weeks was cool and showery, which generally retarded the ripening process. Rye cutting was general during the third week of August. Only a small acreage of wheat has been cut but with favorable weather wheat cutting will be general about the end of August.

JULY BANK DEBITS MATERIALLY HIGHER

Increase of About 14 Per Cent. Shown as Compared With Preceding Month

OTTAWA.—The bank debits to individual accounts in the clearing house centres of Canada during July, as reported to the Dominion Bureau of Statistics showed an increase of nearly 13 per cent. over the preceding month. Judging by the experience of the last ten years, the transactions in July are on the average about one per cent. less than in June, and if this handicap is allowed for the adjusted debits for July would consequently represent an increase of nearly 14 per cent. The debits in July were $2,323,000,000, as contrasted with $2,057,000,0000 in the preceding month involving an increase of $266,000,000.

During the same period the clearings increased from $1,260,000,000 to $1,461,000,000, which, after allowance is made for the slightly adverse seasonal tendency, constitutes an advance of nearly 17 per cent.

	$ June	$ July
	Debits to Individ'l Acc'nts:	
Maritime Provinces—		
Halifax	19,530,610	20,033,666
Moncton	5,913,072	6,605,519
Saint John	23,096,950	24,046,194
Total	48,540,632	50,685,379
Quebec—		
Montreal	575,105,025	606,852,555
Quebec	39,744,175	52,141,329
Sherbrooke	8,763,296	8,886,495
	623,612,496	667,880,379
Ontario—		
Brantford	6,635,502	7,766,443
Chatham	7,595,974	7,254,948
Fort William	6,435,543	7,686,712
Hamilton	43,840,001	48,998,900
Kingston	4,745,176	6,631,464
Kitchener	7,815,449	9,283,917
London	22,363,824	21,574,208
Ottawa	117,893,790	126,144,096
Peterborough	5,530,312	5,650,818
Toronto	539,600,112	598,869,445
Windsor	23,102,886	32,086,805
Total	785,558,569	871,937,756
Prairie Provinces—		
Brandon	3,622,766	3,944,003
Calgary	50,886,983	42,420,627
Edmonton	22,913,046	30,001,637
Lethbridge	4,480,977	4,204,682
Medicine Hat	4,041,000	3,680,515
Moose Jaw	7,440,154	8,884,605
Prince Albert	1,908,270	1,918,152
Regina	20,263,571	22,364,082
Saskatoon	8,617,564	9,603,532
Winnipeg	342,095,151	454,323,487
Weyburn Bank	1,295,687	1,236,618
Total	467,565,169	582,581,940
British Columbia—		
New Westminster	4,972,625	5,282,887
Vancouver	107,226,084	114,747,156
Victoria	19,299,566	29,520,249
Total	131,498,275	149,550,292
Grand Total	2,056,775,141	2,322,635,746

Staff Gossip

Irvin Cadman, who commenced his banking career in the Macklin Union Bank, has been transferred to Tessier, where he has been advanced to the position of teller.—The Times, Macklin, Sask.

* * *

A. D. Henderson, manager of the Canadian Bank of Commerce prior to the amalgamation, is to continue as manager of the combined branch. G. L. Hazell, manager of the old Bank of Hamilton branch, is transferred to Walkerville.—The Express, Beamsville, Ont.

* * *

A. G. Clarke, who has been accountant at the Standard Bank, Lethbridge, is returning to Drumheller to assume the position of accountant at the Drumheller branch. Hugh Files, who has been occupying Mr. Clarke's position during his absence from Drumheller, is being transferred to a similar position in the Wayne branch.—The Albertan, Calgary.

* * *

J. F. Stewart, manager of the Union Bank at Wiarton, has been made manager of the bank at Owen Sound. Mr. Stewart has been in Wiarton for four years, coming here from Mount Brydges, and during his residence here earned for himself the respect of the entire business community and largely increased the business of his bank in this district. General regret at his removal is being expressed by the citizens. — Wiarton correspondence of the London Free Press.

* * *

B. N. Sylvester has been appointed manager of the Victoria avenue branch of the Bank of Montreal at Hamilton. Mr. Sylvester is a native of Lindsay nad has held positions in the Bank of Montreal at Lindsay, Brockville, Montreal and New York, and from June, 1919, to the time of his present appointment, he has been accountant in the branch at London, Ont. He has also held the position of manager and secretary-treasurer of the London clearing house for some time past.—The Spectator, Hamilton.

* * *

Attended by about a hundred veterans and business men of the city, the memorial tablet to the memory of the members of the staff of the Canadian Bank of Commerce in Saskatoon who served in the Great War was unveiled at a simple but impressive ceremony at the Second Avenue branch. Dr. Walter C. Murray, president of the University of Saskatchewan, performed the unveiling ceremony, having consented to do so in the absence of Sir Henry Thornton who was delayed from reaching the city owing to a change in his itinerary. —The Phoenix, Saskatoon.

* * *

In September the Bank of Montreal at Wallaceburg will merge its offices and will transfer the business of the James street branch to the Wallace street branch on the south side of the town. S. J. Jarvis, who for the past 18 years has been manager of the James street branch, will go on leave of absence for one year. He will then retire on pension after having served 47 years with the Bank of Montreal.

C. H. Harris, who has been manager of the Wallace street branch, will remain as manager of the combined business.—The Advertiser, London.

Boyhood Experiences of Sir Edmund Walker

The career of the late Sir Edmund Walker, president of the Canadian Bank of Commerce, is interestingly reviewed by C. W. Colby, in a Memorial Number of the Caduceus, staff magazine of the bank. There are some intimate things told about Sir Edmund's earlier career which have not appeared in previous sketches. The following incidents will particularly interest bank men.—J. W. T.

Taken from school because of delicate health, he entered the office of his uncle, J. W. Murton, at Hamilton, in 1861, being then slightly under thirteen years old. At once he began to gain an intimate acquaintance with many kinds of money at a time when the currency problem on the frontier of Canada and the United States was very complicated. Mr. Murton conducted an exchange office, in which his nephew gathered experience rapidly, under circumstances which he himself more than half a century later described in graphic terms:

> Here the American traveller sold his State banknotes, of which there were many hundred kinds issued in the various States, and ranging in discount when sent to New York in accordance with distance, but more so in accordance with opinion as to the soundness of the banking laws of the different States, the problem being further complicated by the existence of scores of failed banks, of forgeries and raised notes. As a result, I soon became a recognized expert on counterfeit money. To us the Irish emigrant came who wished to send a pound home to the mother, or the small trader who—afraid to enter the counting-room of the regular bank—wished to buy or sell a draft on New York. Our business consisted largely in buying the foreign coins of which our currency was mainly composed. It was only in 1858 and 1859 that silver money was coined for Canada and the decimal system established, and accounts were still often kept in Halifax currency while the names for York currency still lingered. In addition to the small coins, we had, often but not daily, to buy Spanish and Patriot doubloons, Portuguese joes and many other foreign gold and silver coins, and much worn English silver, that not worn being current money. The American Civil War exaggerated these conditions by transferring to Canada their supply of these coins, together with State banknotes and the new currency created by the war, in exchange for arms, cattle and other supplies. I do not remember how soon my uncle entrusted me with this counter business, but my apprenticeship was measured by months and, as I remember things, in the years during which I was with him he almost never attended to the public. Thus I saw every issue of currency, even the original "greenbacks" which were payable in gold, and every issue of bonds made by the United States in carrying on the war. The American buying army supplies, the Canadian in the Union army home on leave, and almost daily the bounty-jumper were my customers, and I kept at the door of the office a complete bulletin of the events of the war.

The training thus gained was of the most practical utility, and tended to develop that resourcefulness for which Sir Edmund Walker was conspicuous throughout his life. The most signal opportunity which he had as a boy to display his energy and quick thinking came to him in September, 1866, on the failure of the Bank of Upper Canada. Though he was not yet eighteen, he had been placed in complete charge of the office during his uncle's absence in Europe. It so happened that when the Bank of Upper Canada was on the verge of failure, Mr. Murton owed it money for loans, while on its books he was a creditor in respect to a substantial balance. Young Walker's problem was how to get from the moribund bank an amount in currency which would represent the credit balance and be of such a character as could be used in discharging the obligation. The lawyers were not sure whether the notes of the bank were an offset to debts due to it; but while they were debating this crucial matter, the financier of seventeen insisted on making payment of his uncle's debt in the notes of the bank itself just at the moment when it was closing its doors. Even in his last years, Sir Edmund looked back upon this as the most exciting adventure of his life. It revealed the possession by him of powers which were quickly noted in banking circles.

R. A. Browne for some time with the Glace Bay and Sydney branches of the Bank of Commerce has been transferred to Windsor, Ont.

BOOK-KEEPING FOR PRACTICAL FARMERS

Simple Book May be Had from Dept. of Agriculture at Nominal Charge

Any merchant handling several different lines of goods would regard it as folly to neglect to keep a complete set of books enabling him at all times to ascertain his profits and losses on the various commodities he sells, his assets and liabilities, and so on. A manufacturer who failed to do so would be heading for insolvency. It is curious, then, that Canada's basic industry—agriculture— should be carried on, so far as individual producers are concerned with it, in so casual a manner with regard to account-keeping. Especially is this strange when it is considered how simple farm book-keeping is by comparison with that of other businesses.

In a survey of some eight hundred farms conducted some time ago it was discovered that very few farmers indeed followed anything like a complete method of accounting, while a large number adopted absolutely none at all. These, beyond having a sort of general idea as to "what paid," were often quite hazy as to actual returns from different lines of work.

In order, if possible, to remedy this undesirable state of affairs the Dominion Experimental Farms' system has published an extremely simple farmer's account book, which will adequately serve all necessary purposes. In size and thickness it is no larger than a school exercise book, and is designed to last a complete year. To "keep" it needs no knowledge of ordinary accounting; simply the ability to write and add; and a record of all transactions might be made in an hour a week. A few plain directions as to making entries, some aids to taking inventories, a table of silo capacities and a gestation table, are given on the insides of the cover, while on the back are printed calendars for last, this, and next year.

In the book itself are pages for the entry of receipts and expenditures (both of which may be seen at a glance on the same page), relative to cattle, horses, sheep, swine, poultry, crops and labor; and there is also ample space for miscellaneous items. There is a page for amounts owed to and by the farm, and forms on which may be made inventories of land and buildings, of live stock, of feed and supplies, and of machinery. Following is a page on which may be filled out a summary of the year's business, together with the few directions necessary to filling it out intelligently at the end of the year. Further, for the farmer's information there is a table in which to enter acreage and yield of crops, and one in which to keep a live stock service record.

The whole thing has been reduced to the simplest possible terms, and should prove, to the general farmer, one of the most useful publications issued from the experimental farms for some time. It should be recognized that farming is a business, the same as any other. If a business is not paying, the owner of it wants to know just why it is not doing so. This little book will enable the farmer to keep an accurate record of each department of his business, find out how much he is making from each, or how little, and so be able to adjust matters accordingly.

The "Farmer's Account Book" is obtainable from the Publications Branch of the Department of Agriculture, Ottawa, at a nominal charge of ten cents. No postage need be placed on letters of application. Bank managers might well co-operate in securing these account books for farmer customers.—J.W.T.

DOMINION NOTE CIRCULATION

On July 31 last, Dominion notes to the value of $210,806,532 were in circulation. Gold held against notes in circulation was $97,052,221. At the end of June, Dominion notes to the value of $210,308,592 were in circulation, and the gold held against them totalled $96,732,954.

Dominion notes outstanding against deposits of approved securities at July 31 totalled $77,100,000, as against $76,000,000 at the end of June.

Divers recover $1,250,000 in gold bars from liner Laurentic, which has been lying in 90 feet of water since she was sunk by German submarine in 1917 off the north Irish coast. Latest find accounts for entire Laurentic gold consignment.

The Song of the Bank

(*With apologies to "The Song of the Shirt*)

From "The Caduceus," Staff Publication of The Canadian Bank of Commerce.

With fingers weary and worn, from counting bundles of "ten,"
A bank clerk sat, in threadbare clothes, busily plying his pen.
Scratch. Scratch. Scratch. He looked so hungry and lank,
And still in a voice of dolorous pitch, he sang the Song of the Bank.

Work. Work. Work. All day I rush and toil,
And work, work, work. I burn the midnight oil.
It's O to be a slave along with the barbarous Turk
Where men have never a soul to save, if this is Christian work.

Work. Work. Work. Till the brain begins to swim,
Work. Work. Work. Till the eyes are heavy and dim.
Cheque upon cheque he lays, cheque after cheque he pays,
Till over the blotter he falls asleep, and enters the cheques in a daze.

Work. Work. Work. In the dull December light,
Work. Work. Work. Till the tellers lose their sight.
As they shiver in their cages, one sometimes hear them sing,
"If —— will make us warmer, O death, where is thy sting?"

But why do I talk of death, that phantom of grisly bone,
I hardly fear his terrible shape, it seems so like my own.
It seems so like my own, because of the fasts I keep.
Alas that bread should be so dear, and bank clerks held so cheap.

Have the Directors no pity? Have they not children and wives?
It is not books they are wearing out, but human creatures' lives.
Scratch. Scratch. Scratch. In poverty, hunger and dirt,
The bank clerk works with coat removed, displaying his threadbare shirt.

With fingers weary and worn, from counting bundles of "ten,"
A bank clerk sat, in threadbare clothes, busily plying his pen.
Scratch. Scratch. Scratch. So poor, so hungry and lank,
And still his weak voice bravely soared,
Would that its tone could reach the "Board,"
He sang this Song of the Bank.

THE FINANCIAL POST

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, AUGUST 29, 1924

THE TOURIST BUSINESS

CANADA is enjoying a good season in the tourist business. It has been estimated that this industry now represents an annual financial turnover approaching $150,000,000. But the fact remains that Canadians are not making the best of their opportunities by any means. Those who have studied the trade possibilities are convinced that it would be easily possible to increase the proportions of the business to $300,000,000 a year by selling Canada's tourist attractions to the world—and particularly the United States—and by taking advantage of the opportunities of selling goods, service and accommodation to the tourists. And what other industry presents anything like the possibilities for satisfactory profits in relation to the costs involved and the consumption of our raw materials?

Canada should endeavor to double the income from the tourist industry in 1925. The topic is of live interest at the moment. It should be possible to get action. If plans are delayed until interest in the matter again revives in the spring, it will be too late to accomplish anything next year. It is largely a matter of coordinating publicity efforts to the common end of selling Canada as a tourist attraction rather than particular districts or particular services, although these, of course, must be enumerated in the selling campaign. Provincial organizations would perhaps be the most effective, and the practical suggestion is made for the appointment of provincial commissions with funds voted by the governments, and co-operating with the various districts in their advertising campaigns to the extent of financial grants where the publicity work done fits into the general program. To secure the necessary funds, the gasoline tax is suggested. This has worked very successfully in Quebec. Thus the foreign tourist who uses the roads contributes to the provincial treasury, and if desired, the auto owners at home can be given a measure of relief by a reduction in the annual license fee.

The second phase of the tourist business is to sell service and goods to the visitors. They will be found to be free spenders, for the most part, when satisfactory accommodation is given or when they are shown the advantage of making purchases here. This not only applies to Canadian products, but to English and European specialities which come into this country under lower tariffs than those of the United States. The fact that visitors returning to the States are allowed to take in new goods to the value of $100 as "souvenirs," and antiques free of duty, is an important factor in the possibilities of the retail trade.

Now is the time to lay plans to put the tourist industry on a $300,000,000 basis in 1925. If the railways, the governments, boards of trade, and various business organizations will co-operate, something important can be accomplished.

POWER FOR THE NORTH

THE Winnipeg Tribune is disturbed over the prospects of the Insulls, of Chicago, acquiring Northern Canada power holdings. It professes to see the United States power ring getting a grip on power rights in Eastern Canada.

The Tribune, we believe, takes a distorted view of the possible entry of the Insulls into Northern Ontario. It evidently does not know that they already control that most efficient power enterprise which supplies Sault Ste. Marie and vicinity with perhaps the cheapest power in Ontario. Also that mining interests of the north will welcome their advent as offering the solution of a rather trying situation owing to power shortage.

Northern Ontario waterpowers, the development of which is really necessary to the opening up of valuable mineral resources, have for years been held by the government, evidently to suit the policy of the Hydro Electric Commission, of maintaining a power monopoly in the province. Then the demand for power for the mines became so great that the government decided to grant private charters in order to secure the necessary development.

Northern Ontario does not fear the power merger, no matter what Winnipeg may think of it. The north owes its rapid development to the courage of individual enterprise, backed by private capital, and that development can only be continued in the same way.

WHY WEALTH IS TAXED

THE financial editor of the London Times comments upon the taxation of Canadian banks, which, in his opinion, is excessive and burdensome. It is pointed out that the average rate of provincial and municipal taxation of bank earnings has increased 50 per cent. in the last four years.

London's interest in the tax burdens of Canada's banks has drawn the attention of a number of Canadian newspapers. We find The Saskatoon Star taking the attitude that "it need not be a matter of extreme concern, since the banks, like other enterprises and all citizens are necessarily required to bear their share of the burden," but The Ottawa Journal and The Hamilton Herald see a dangerous situation in this tendency to confiscate wealth where funds of individuals are consolidated in large sums.

The Herald declares that the "banks are heavily taxed for precisely the same reason that banks are shining marks for bandits. Governments and bandits alike need money, and it is comparatively easy for governments and bandits to levy upon the wealth accumulated there." Continuing, the Herald points out that "when too large a proportion of bank capital is appropriated for public uses, there is not enough left for the service of the public, and general business necessarily suffers. If governments take too much, dividends decline and income taxes decrease; the difference must be made up in other tax expedients; in the long run the people have to pay." The Journal refers to the popular tendency to put the tax burdens on finance and business, continuing:

> The truth is just the contrary. During the war Canadian wealth was conscripted at a rate hardly known in other countries. Our business profits tax and our income tax hit possessors of money in great quantities harder than they were hit either in England or the United States. And, roughly speaking, the same thing is true to-day. Our income tax, on large incomes, is still the highest in the English-speaking world. Our tax on business far exceeds anything that is known in the United States. The average rate of provincial and municipal taxation on banks alone, it is estimated, has risen by about 50 per cent. during the past four years.
>
> The simple fact is that instead of business and industry being too lightly taxed in Canada, they are too heavily taxed. They are taxed so that capital is terrified, with the consequence that the development of the country is being stunted, and the whole thing is reflected in depression, unemployment and high living costs.

The bankers, the manufacturers and other business men should realize this socialistic trend in taxation. No one likes to pay taxes, and it is easy to induce the mass of the people to shift their individual burdens to institutions with visible accumulated wealth. It is, of course, a short-sighted policy and dangerous economics, but the people must be made to see this.

The people are willing to pay for service and a fair price for goods, but they are violently opposed to anything that looks like a combine, and they have come to look upon business associations as merely organizations to benefit their members at the expense of the public. It is up to such organizations as the Canadian Bankers' Associatior and the Canadian Manufacturers' Association to direct their efforts to convincing the public that the interests of their members are the interests of the whole community. Taxes should be placed so as to interfere as little as possible with the machinery of the wealth-creating industries which mean prosperity for all classes.

EDITORIAL NOTES

THAT the community impeding tourist traffic with impassable roads is neglectful of its own weal is the opinion expressed by Canadian Finance, Winnipeg.

* * *

THE appointment of S. J. Moore to the board of the Toronto General Trusts Corporation should materially strengthen the advisory body of that institution which has recently suffered through death the loss of several of its experienced directors. Mr. Moore is the builder of the Burt Companies, American Sales Book, Wm. A. Rogers, and a number of other well managed concerns which have become known as the Moore companies, and by that name have earned the confidence of a large following of investors.

Canada's $136,000,000 Tourist Business Can Have Big Future

No Other Industry So Profitable in Relation to Call on the Country's Resources—Volume of Income Can be Greatly Increased by Providing Visitors With the Service and the Goods They Want

By JOHNSTON MacADAMS,
President Blue Water Highway Association.

How much money was left in Canada last year by tourists and visitors of all kinds from outside of the Dominion? A recent estimate has been published by an Ottawa authority which is astounding in its magnitude.

One hundred and thirty-six million dollars.

The authority is the Commissioner of Canadian National Parks, and the estimate is the second which has been published. The first was for the year 1921, and the figure given out for that year was $112,000,000. While these figures are not claimed to be statistical, their magnitude and the rapid rate of increase alike challenge attention.

Too High or Too Low?

"Too high!" may be the mental comment of the average reader to whom the mention of tourist traffic recalls stray Ford cars on dusty roads, a fleeting impression of a commonplace family in khaki, cheap flags or pennants on the windshield and a camping outfit, including ropes and canvas on the running boards and pots and pans at the rear.

But "Too low" may be the comment of the more than one travelled observer, to whom the words "tourist traffic" conjure up an entirely different picture. His vision includes railways and steamships. He sees Boston trippers in the land of Evangeline, Californians on the Vancouver-Skagway steamers, Middle Westerners on their annual outings on great Canadian steamers on the Upper Great Lakes, international globetrotters at the famous railway hotels along the world's caravan route from Quebec to Vancouver; he sees amateur Alpinists in the rockies, and amateur woodsmen in the northland; he sees hundreds of obscure cottage colonies along the Great Lakes, steadily multiplying, and he sees an increasing proportion of outside money at the more famous summer resorts of the Dominion. Furthermore, he observes the growth of the bungalow camp idea, the opening up of scores of tourist camps for motorists, the crowded conventions at his favorite hotels in the larger cities, the growth of shooting and fishing clubs in Quebec and New Ontario, and lastly the fact that the visiting motorist's season has been enlarged at both ends by the trend in favor of closed cars, and the winter season is producing its tourist revenue in Canada, as in Switzerland. And he sees an endless stream of northbound motorists coming to Canada by many routes—via the continuous concrete road which now connects Tia Juana, Mexico, with Vancouver; or the newly opened Omaha-Winnipeg Highway; the Dixie highway, in Michigan; the "Bootlegger's Road" into Quebec and many others.

The total of $136,000,000 begins to look more reasonable.

Ranks Third in Volume

Let us assume for a moment that the figure above given is correct, and see what it means.

It means that, compared with the last Dominion estimate, 1921, the tourist traffic has been almost the most rapidly growing source of wealth in the Dominion.

It exceeds the total export value of minerals and mineral products.

It equals the total export value of animals and animal products.

It already ranks third in comparison with Canada's great exports, being exceeded only by the products of the field and of the forest.

Leaves Our Assets Untouched

But this lusty infant differs from these others in these respects: it has never received any important assistance in the way of grants; its needs have never been seriously kept in mind or presented to law-makers when our laws were framed; it is at this instant undergoing a great change which is bound to affect Canada.

Furthermore, it is a source of revenue which entails no corresponding loss of assets. The export of lumber and pulp may diminish our forests, the export of cereals may exhaust our humus, the export of minerals may be a subtraction from our ancient assets, but the growth of tourist revenue still leaves us with our assets of breezes and sunsets and scenery and "camping, boating and bathing," perennial and undiminished.

But, most important of all, it is a source of national revenue which can be increased amazingly by intelligent effort.

Father St. Lawrence does not pause in his majestic flow, though numberless tourists gaze upon him and dilate with the wrong emotion. The Rockies seem still architecturally sound, in spite of the impressions they have cast upon the retinas of touring thousands.

Getting at the Figures

"But," says my friend the banker, "you are going too fast. You assumed that this revenue is in the neighborhood of 136 millions. Suppose I claim that an outside figure is only 36 millions, which is a respectively large in-take for a country of our population. Show me where you will get the other hundred millions."

The question is a disconcerting one. Most banker's questions are. Where will I get the hundred millions? Where does anyone get a hundred millions? But wait! I hastily turn to a recent letter from Ottawa on the subject, and joyfully find it is from the very official who has put out the estimate—Chief Commissioner J. B. Harkin, of the Canadian National Parks, a branch of the Department of the Interior. Here we find the basis of the estimate frankly enough stated.

"It should be remembered" writes the commissioner, "that the figure of 136 millions is purely an estimate, as we have no means of securing exact data. The figures, however, were based, for the most part, upon the estimates of people of the various provinces who are in touch with tourist conditions, and they would appear to be all fairly reliable. In the following table and succeeding paragraphs I shall endeavor," he says "to explain in detail just how this amount has been arrived at:

British Columbia	$36,000,000
Alberta	20,000,000
Saskatchewan and Manitoba	10,000,000
Ontario	30,000,000
Quebec	30,000 000
New Brunswick	4 000 000
Nova Scotia	6,000,000

British Columbia the Leader

The estimate of the British Columbia returns is based on a statement made by Fred Crone, chairman of the Vancouver Publicity Bureau, and published in Calgary Herald of October 24, 1923. Mr. Crone, disseminating information concerning the working of the Vancouver Publicity Bureau, stated that 60,000 foreign motor cars, carrying an average of four persons to the car, conveyed 240,000 tourists into British Columbia last year. Averaging five days per person with a $10 average daily expenditure, Mr. Crone says further: "That is not all; railway and steamship statistics are to the effect that the automobile travel is only about 25 per cent. of the total tourist traffic. "That would mean another $24,000 000 from the tourists using the steamships and railways, or a total of $36,000,000 up to the end of October.

If $36,000,000 was a conservative estimate up to the end of October it is felt that the same amount should very conservatively cover the year 1923.

The knowledge of the value of tourist traffic to Rocky Mountains (Banff) Jasper and Winterton Lakes National Parks forms the basis upon which Alberta's revenue has been compiled. Travel to other parts of the province has been estimated accordingly. A. B. MacKay, president of the Calgary Auto Club, is authority for the statement published in the Calgary Herald of September 8, 1923, that Calgary alone, at that date, had been enriched by $100,000 of tourist money. This estimate was roughly made from figures compiled by the Automobile Club on the number of tourists passing through Calgary.

The estimate of tourist revenue to Saskatchewan and Manitoba has been largely based on Customs figures of the number of cars crossing the border into those provinces; with this has been considered their average sojourn, the number of passengers and the probable average daily expenditure.

No Figures for Ontario

While no estimate for the tourist travel of Ontario has been made by any travel authorities, it seems very probable that the tourist value would at least be equal to that of Quebec. The main reason advanced for this is that nearly nine-tenths of all the foreign motor cars entering Canada are registered through Ontario ports. Taking into account the large number of tourists traveling by rail and steamer to Muskoka, Georgian Bay, the Thousand Islands, Great Lakes and other summer regions, the $30,000,000 credited to Ontario seems to be reasonably estimated.

Quebec Government Estimate

On completing the report in September of the census of vehicle traffic for 1923, Hon. J. L. Perron, Minister of Roads for the province of Quebec, is quoted by the Quebec Telegraph as stating that he placed at $20,000,000 the sum spent by foreign automobile tourists in Quebec cities, towns and rural districts. At this time the figures for incoming foreign cars were 111,000, while at the close of the year they totalled 125,000. Mr. Perron did not take into account the seaside resorts of the St. Lawrence and the travel by steamer and rail so that an additional $10,000,000 does not seem to be excessive, thus bringing the total revenue to $30 000,000.

Tourists in Maritime Provinces

The authority for the figures with regard to New Brunswick is Mr. J. C. Berrie, secretary-treasurer, New Brunswick Automobile Association. In a letter addressed to this branch, dated March 2, 1924, he states "It is estimated that about 25,000 tourists entered New Brunswick by motor. It is thought that the number of tourists coming from all sources would be 35,000. Some people have estimated that the 35,000 tourists left $5,000,000 in the province in 1923." Prior to the receipt of this letter the revenue of New Brunswick had been computed by us at $4 000 and was allowed to remain at that figure.

Mr. A. J. Campbell, secretary and publicity manager of the Nova Scotia Tourist Association, in a letter to this branch, dated March 13, 1924, states: "65,000 tourists entered Nova Scotia during the 1923 season. The number of tourist motor cars entering was 3,883. The average stay in the province of these summer visitors was about two weeks, and the estimate of the money distributed here during the season was $6,000,000.

"To date no estimates have been compiled relative to the value of Canadian tourist traffic for the 1924 season. It is, as yet, too early to obtain definite returns, but I might say that from newspaper clippings and various other information received here it is quite evident that this season's traffic will constitute a new record."

The Outstanding Fact

Here endeth the quotation. Let us have no idle quarrels about trifles like a hundred millions, but assume merely that the tourist traffic is a vast asset to Canada, that it is rising in value, and has become a favoring force in supporting the value of the Canadian dollar on exchange.

Why does not the subject receive more attention? Why do not governments, provincial and Dominion, take cognizance of it, foster it as governments do in older lands, and augment the national wealth thereby?

The question is a delicate one, and for its answer would need a facile pen, delicately poised. The answer is to be found in the fact that the bulk of visitors, present and prospective, must be expected from the United States.

All a Matter of Business

Now the Canadian attitude toward United States is amiable but complex. The last thing the average Canadian desires is any "Americanization" of this country, or in fact any process which would in the slightest interfere with the working out of Canadian destiny along present lines. To the Canadian of the old school, there is no responsive thrill to the prospect of entertaining annually in his geographical home hundreds of thousands of paying guests of another allegiance, including some who lack the reticence of speech and the restraints of custom in regard to international topics.

But it is childish to apprehend any menace to Canadian solidarity in the influx of summer visitors from the United States. Switzerland does not hesitate to welcome all the world to her playground of lake, mountain and glacier. She has three races, four languages and two religions. The close contact in a small country with incoming visitors of the same racial origins and languages has not affected the Swiss viewpoint. For a century she has had the wealth of Europe under tribute by her resort and tourist business, and to-day is a shining example of national solidarity and independence.

The farmers, as a class, see little as yet in the tourist development, and this has had the effect of keeping the tourist trade in the background as far as recognition by our lawmakers is concerned. All classes of the community must be made to recognize that the tourist trade in a broad sense can help to supply the millions to pay our taxes and reduce our debt. Once this is recognized, as it is already recognized in European countries, we will be ready for action.

"What action?" you ask, "and by whom?"

Should Follow European Countries

Action is needed by the Federal government and every provincial government. The aim must be to increase the estimated 136 millions per annum to double that figure. The methods are not mysterious. It means the spending of money to bring in more money. There must be a man of action at the head who is familiar with Canada, the United States and Europe, and a policy free from interference by those who lack breadth of outlook. It means the spending of certain sums of Canadian money in Europe and the United States, in order to attract the spending of many times these sums by Europeans and Americans in Canada The appropriations may be small to begin with. It can be graded up as the business increases. European countries furnish examples as to methods.

A Policy Suggested

The writer outlined a policy for Canada in one of the publications of the Blue Water Highway Association, based on the successful experience of the towns along Lake Huron in increasing tourist business. This policy was requested in written form by the Ontario Legislative Commission on Hotels and Tourist Travel two years ago. The commission adopted the principal suggestions, but the government did not adopt the report—at least did not carry out the recommended policy as yet, though a very small commencement has been made by the issue of a provincial free booklet.

Speed the work! The objectors must be shown that a small gasoline tax can bring the alien motorist into line as a taxpayer without affecting the local motorist, who would be compensated by a general reduction of motor license fee; the farmer must be shown that an invasion of consumers has some advantage to producers like himself; the doubter who thinks tourists "spend less than a dollar a day" should be launched on a trip to demonstrate it day by day, retaining all the surplus left out of the daily dollar after paying for gasoline, oil, souvenirs, hotel accommodation, food, inner tubes and repairs, and the opponent of "new fangled" business should ponder upon the fact that the tourist trade has been a definite factor in the business of older lands for centuries, back to the days when the silversmiths of ancient Ephesus "had great profit thereby."

In these days of high taxation, and low export prices, any business which brings millions to Canada, and which can be increased by huge sums annually, is worth the keen attention of all who yearn for easier taxation and better times.

When Mr. Smithers Spoke His Mind

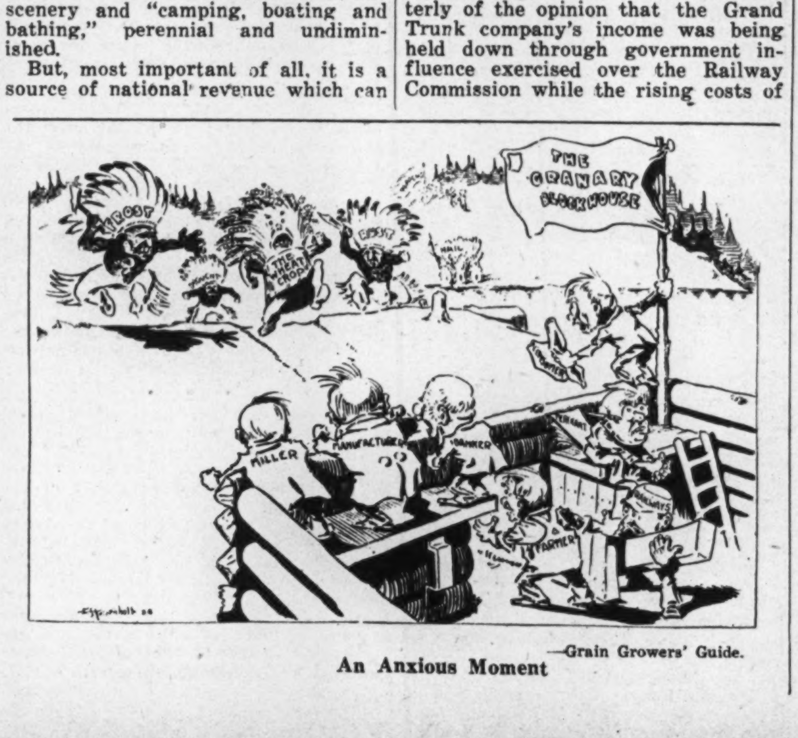
By J. W. T.

"I have directed the investing of over $300,000,000 in Canada at an average interest rate of less than 4 per cent.," declared Sir Alfred (then Mr.) Smithers, to me on the occasion of his visit to this country in 1917. This should be convincing evidence that the former president of the Grand Trunk Railway, whose death took place in England last week, had an interest in Canada and that Canadians in turn owe something of a debt to this controller of capital who played such an important part in the development of the country's transportation facilities—even though we may view this investment as nothing but a financial transaction arranged solely on the basis of the profits involved.

On the occasion referred to, the then Mr. Alfred W. Smithers granted me the only interview he gave to any publication on that particular Canadain tour of the system. It was at the time that the railroads were feeling the pinch of increasing transportation costs as against controlled freight rates and he was bitterly of the opinion that the Grand Trunk company's income was being held down through government influence exercised over the Railway Commission while the rising costs of service made it inevitable that the whole system would sooner or later become the property of the Canadian people through the obligations undertaken by the Grand Trunk in connection with the G. T. P. He was correctly prophetic of what the future held for his railway but it need hardly be added that he could see the situation from the standpoint of the British shareholders only. That he was prepared to fight for those shareholders even to the use of what have appeared to us to be doubtful methods, was to be proven in the later dramatic developments.

It was late in the afternoon when Mr. Smithers received me alone in his suite at the King Edward Hotel. He had been giving no interviews because he felt that the Canadian press was hostile to the interests of the British shareholders of Grand Trunk securities. I explained that THE FINANCIAL POST wanted his views on the situation from the standpoint of the investors — those British shareholders — and it was then he began to express himself freely. He strode up and down the room as he unburdened himself of his opinions of those who would ruin his company so as to be able to take it over as an unprofitable and worthless system. As he talked he become more and more wrought up. A dinner engagement was evidently forgotten. President Kelley came to the door and put his head inside with the evident intention of telling his chief of something demanding attention but Mr. Smithers was not to be interrupted in his statement of wrongs and grievances, real or imagined, and the head of Mr. Kelley was withdrawn as the recital continued.

Whatever may have been the errors of Sis Alfred and his associates in their efforts to operate a Canadian transportation system from London, there was never any doubt of the sincerity of the late chairman in endeavoring to work out the many problems which beset the company, particularly after the outbreak of the war, in the interests of his shareholders and the patrons of the road. And those who study the history of the Grand Trunk find a remarkable record of service rendered to a young and growing country which needed nothing more than it did efficient, low cost transportation.



—Grain Growers' Guide.

An Anxious Moment

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

WRIGHT MOTOR CAR

Owen Sound.—Would like information regarding the Pre-Organization Syndicate, Montreal, handling flexible axle car. Stockholders are now being asked to pay up more money in connection with the business and we would like to know if they are reliable, responsible people.

Plans are being worked out to organize a company to manufacture the Wright Motor Car, and it is understood that those who subscribed to interests in the Pre-Organization Syndicate will be given three shares of common stock in the new company for every one hundred dollars they invested in the Pre-Organization Syndicate. As there will be $2,000,000 of preferred stock ahead of the common in the new company, and as the prospects for success for any new automobile company in Canada are very small, it is quite likely that the ultimate return to those who have an interest in the Pre-Organization Syndicate will be very small.

We understand that the stockholders are not now being asked to put up more money, although we would not be surprised if they were asked to subscribe for stock in the new company. We would strongly advise against such a purchase, and we base our opinion very largely upon the rather unsatisfactory record this whole promotion has had from the beginning to date.

QUEBEC RAILWAY OR IRON

Waterloo.—Will you kindly give me your opinion regarding the advisability of exchanging $3,000 Quebec Railway 5% bonds for Dominion Iron and Steel 5% consolidated bonds due 1939. Such an exchange at present prices would give $4,000 of the latter for $3,000 of the former and would increase income by $50 a year.

Quebec Railway 5 per cent. bonds have been improved in position very greatly by the acquisition of control of the company by the Shawinigan Water and Power Company. The security must be ranked fairly high among this type of bond now, regardless of the past record of the security.

Dominion Iron and Steel bonds have excellent assets behind them, but in recent years these assets have not proven of great earning power. The bonds have declined very considerably along with all other British Empire Steel Corporation securities, and their price indicates that investors consider them rather speculative.

With these facts in view you must realize that an exchange of Quebec Railway bonds for Dominion Iron and Steel bonds would mean a definite weakening to some degree of the security. On the other hand, there would be the substantial increase in income which might be regarded as more than offsetting the decline in security. It depends very much upon your faith in British Empire Steel. There is good reason to believe that the bonds of British Empire Steel will be protected no matter what happens to the stock. The exchange is on the face of it attractive, and there is no reasonable objection to it other than the one mentioned, and, of course, you yourself are in the best position to judge whether this objection is, in your case, a serious one or not.

FUTURE OF BESCO

Besco.—I see in several of the financial papers a suggestion that a reorganization of Besco may take place and that in the course of that reorganization some of the present stock issued may be done away with. Would you be good enough to say whether this applies to the stocks which have been issued and are now in the hands of the public or merely to such stock as is at present in the treasury. I would like to know if there is any the company can cancel any of the stocks at present in the hands of the public or if they can be interfered with except the company defaulted its bond issue and went into liquidation.

We know of no scheme of reorganization on the British Empire Steel Corporation at the present time that involves the wiping out of the stock. Such is, of course, a possibility just as it is a possibility in the case of any company that is not in a strong financial position.

The company cannot make any major changes in its capitalization without the consent of the shareholders themselves. In fact there is not likely to be any writing down of outstanding securities except through a process of reorganizaiton involving liquidation. This liquidation may be forced or may be a voluntary liquidation, for the purpose of effecting a reorganization. Thus it would be possible to practically cancel some of the stock at present in the hands of the public, but it is hardly correct to suggest that the company could do this, because the company is merely the group of shareholders, and anything that the company does is done by the shareholders.

LUCKY CROSS-SWASTIKA GOLD

Banker, Saskatchewan.—A customer holds shares in Lucky Cross mine and Swastika Mining Co. What are their present value and are the mines operating and paying dividends?

Shares of Lucky Cross mine are worthless. When the company was alive and trying to develop its property just below Swastika, it floated a bond issue for $80,000. This was to take care of outstanding debts and provide working capital. When this money was spent, the interest accumulated unpaid and in the end the property was taken over for the bondholders. The property is now a part of the Kirkland Gateway.

The fate of the Swastika Mining Co. was the same only the method was a little different. The sheriff sold it out to pay the debts. These shares are also worthless.

U. S. FOOD PRODUCTS

D. T., Ottawa.—Can you give me any information in regard to the stock of the U. S. Food Products Company? I see the stock is no longer quoted on the New York Stock Exchange, and as I hold some shares, am rather interested.

Although our service does not include advice regarding American securities, we have secured the following opinion from New York:

Under the plan of the reorganization dated January 31, 1924, stockholders of the old United States Food Products Corp. were given the right to subscribe to $3,077,140 new 7 per cent. notes of the new company, subsequently named the National Distillers Products Corp., at $100 in ratio of $100 notes for each ten shares of old stock held, subscription to carry a bonus of two new common shares for each $100 note purchased. This right expired February 25, 1924, and if you had some of the old stock and did not use your rights, it is doubtful whether your old stock now has any value or not.

Since U. S. Food Products went into bankruptcy in April, 1922, the properties have been carefully managed with a view to their reorganization and preservation. Certain properties which were judged unprofitable have been liquidated, and the earnings of the remainder have materially increased, and are deemed sufficient to justify their continued operation. The outlook for National Distillers Products, Corp., the reorganized company, is fairly good. It has cleared away much of the deadwood responsible for its losses, and is now in possession of sufficient working capital to carry on profitable operations.

TREND OF BOND PRICES

Sherbrooke.—Would like your opinion of Duke-Price Power Company bonds. Notice that THE FINANCIAL POST forecasts increasing investment in speculative stocks with less money for forthcoming bond issues. Will this result in lower bond prices?

The Duke-Price Power Company issue is regarded as one of the best of recent new bond issues, and you may consider your investment amply secured. The issue is a construction issue, and these are always more doubtful than the bond issues of seasoned companies. But in the case of the Duke-Price Power Co. the fact that signed contracts have been entered into for the delivery of sufficient power to more than meet interest charges is an element of protection offsetting the fact that the development is a new one.

A higher yield may be obtained on some other power bonds of smaller but attractive companies. The Duke-Price Power issue was framed to meet the demands of the New York bond market and as is often the case with such issues, the yield to the Canadian investor is not as high as the yield on any strictly Canadian issue.

What we referred to in our market review was the broad cycle of price movements. The present price trend is to higher levels, but it would be ignoring all precedent to suppose that it is going to continue indefinitely. Sooner or later there will be a change, and we believe the developments will be as indicated in our article, but the breadth of such a movement, or the length of time which may elapse, cannot be foretold. In any event, it applies to general investment values which are of particular interest to institutions with large sums invested in gilt-edge securities rather than to holders of industrial securities, the values of which are affected by the conditions in particular business enterprises.

Are German Bonds Worth Anything?

By ALAN H. TEMPLE, in Commerce and Finance.

When the piper begins to play his sweet music of fabulous profits made out of virtually nothing the "sucker" mind is easily inflamed and fictitious values are quickly created, for things whose intrinsic worth is very doubtful, as soon as it becomes known that a few lucky persons, early on the ground, have made enormous profits by winning a gamble against long odds. That is all the explanation necessary for the sensational boom in German bonds which has so excited the cupidity of many people, and which has reached such proportions that nearly two columns of advertisements of dealers selling them were published in the New York Times last Sunday.

Some of the stories told of profits made are fantastic. Most amazing of all is the fact that much of the big money has been made by amateur speculators, especially by poor people who have recently come out of Europe and were the first to realize the effect a reparations settlement would have upon sentiment, or who, perhaps, were less cautious than more experienced traders.

It is reported that an Italian sold for $170,000 a hundred million marks in German war loan bonds for which he paid $700. A group of five or six Boston men put $6,000 in German bonds. One urged the others to make it $15,000, but they declined. They sold out before quotations got to their present high, but they made $200,000 profit. Many dealers can tell of small shopkeepers and pushcart pedlars—Italians, Greeks and Russian Jews principally—who have made fortunes, and others can show telegrams and cablegrams showing that speculative interest has been inflamed all over the world.

Here are the latest quotations on some of the issues:

Imperial German government 5 per cent. war bonds, $1,750 a million marks. A year ago they sold for $5, and they have been as low as $3.

Prussia 3½s, $4,000. Three months ago they were $400. Berlin 4s, $12,000. A year ago they were $500.

The present quotations range from less than one to five per cent. of their par value.

What are these bonds worth? If they are to be paid off in paper marks they are, of course, worth virtually nothing, and no one would take the trouble to present them for redemption. But speculative hope is pinned on the possibility that they may be redeemed partly in gold. In November last year the German Supreme Court in Leipzig rendered an important decision establishing the principle that creditors could not be compelled to accept the valuless mark in repayment of a loan made in marks of a gold value. The decision stopped there, however. The court declared itself unable to determine the amount which should be paid, saying the question must be decided according to the capacity of the debtor, taking into consideration the impoverishment of Germany.

In accordance with this decision it rests with the national, state and municipal governments of Germany themselves to determine what they can pay. Those who believe the bonds offer further opportunities for profit urge that the stronger municipalities will redeem them at from 10 to 15 per cent. of their face value, and that other classes of securities will be redeemed at varying percentages according to capacity to pay. Industrial concerns with valuable plant investments should be in a comparatively strong position. Mortgage banks are generally rated high. As for the cities, their expenditures have outrun receipts throughout the period of inflation, yet many of them own valuable real estate and public utility plants.

The Imperial government bonds seem less likely ever to be redeemed than any of the others. As all the world knows, the financial position of the German treasury has been precarious since the armistice. The tax levying power is greatly impaired. And, assuming that the money could be raised or borrowed, the very great doubt still exists that the Allies would allow it to be used for such a purpose. Few persons can think for a moment that they would. The boom in these bonds must be set down entirely to uninformed speculation.

In other cases the odds in favor of the buyer must be determined on their merits, but none of these so-called bargains appear to us as anything more than a gamble.

The whole movement is in fact reminiscent of the recurrent demand for Confederate bonds that developed from time to time during the fifteen years succeeding the American Civil War.

Every now and then someone would start a rumor that the United States was going to redeem these bonds in a spirit of magnanimity to the south, or that a quantity of cotton held in England or the Bermudas was to be sold for account of the defunct Confederacy, or that the various southern states proposed to assume the obligations, at least in part. Of course, all these rumors were baseless, but they induced many people to pay as much as two per cent. of their value for Confederate bonds that could be bought by the barrelful. The truth is the gambling instint is strong and that long odds are always irresistible. Upon no other theory that we know of can the present demand for paper mark securities be accounted for.

E. T. Spidy, assistant superintendent of the Dominion Engineering Works, Lachine, Que., the largest builders of paper-making machinery and hydraulic turbine units in the Dominion, has been forced by ill-health to return to New Zealand, the land of his boyhood, sailing on the "Canadian Challenger," Aug. 30.

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A Warning to Women Against Activities of Peace Propagandists

A clarion call to Canadian women is sounded by Miss Lucy S. Doyle, in Echoes, the official quarterly magazine of the I. O. D. E. in Canada, warning them against insidious peace propaganda, spread by various peace societies, which, she says, is inspired by Moscow. She suspects that the "Pax Special" which recently toured Canadian and American cities is part of a great scheme to administer an anaesthesia to the nations—to turn patriots into pacifists who will not fight for their country even though it be attacked.

Recent investigations, she says, reveal that the poison is spreading alarmingly in the United States, from where it spreads to Canada. The orders from Moscow are: "Get the schools, and colleges, and churches, and the women." Investigators in the United States, says Miss Doyle, directly link up the pacifist campaign with the Third Internationale of Moscow. Behind the cloak of Christianity and good fellowship in the churches and colleges is being spread propaganda which has as its object the converting of the country into a nation of slackers, overthrowing the government and spreading, and bringing into general practice, the red doctrines of the Bolshevist. The movement also aims at capturing the children by the organization of thousands of bolshevik clubs, which will spread the same doctrine of "down with the government and up with the red flag."

Propaganda being spread announces that already three thousand children within two hundred miles of Chicago have been formed into such clubs. Their ages range from seven to thirteen, and their clubs are supplementary of those for boys and girls just reaching their majority, which in turn supplement the Russian-born groups whose activities break out around the world.

Into this movement, says Miss Doyle, quoting Donald Ewing, special investigator of the Chicago Tribune, have been drawn groups from fifty colleges and universities, leaders in church and civic life, and also ex-convicts and traitors.

Cleverly Organized

The two chief methods of instilling the propaganda in the United States are: Formation of groups of more or less well-known people who conscientiously are trying to do away with war. To them the plea is to bring America into the League of Nations. The Bok peace plan, the world court, the league itself—all on the same line, are held up as objectives. The second method is spreading the no-fighting-no-defence plea in school clubs, where children are too immature to think for themselves, and in grown-up organizations where it is thought it will "get over" without giving too radical an appearance.

The propaganda is handled through the Civil Liberties Union of New York, of which Jane Addams is a guiding spirit. The first link in the insidious movement discovered by Mr. Ewing, says Miss Doyle, is Willaim Z. Foster, communist and American agent of the Third Internationale, who, it was discovered by United States secret service men, sat as "Marshal" in the privy councils of Moscow, and was sent to this continent to spread its doctrines.

The "Youth Movement" has also sent lecturers who are now talking before American universities. One of these is Gertrude Baer, of Germany, who brought in the final report which was adopted at the recent Washington Peace Conference. The Women's International League for Peace and Freedom, says Miss Doyle, favors this "Youth Movement," which is a revolt against established authority conventions in sex relationships, and which has as its main plank a policy of "no defence."

It has been revealed that there are upwards of two hundred peace societies in the United States, the most prominent of which is the Women's International League for Peace and Freedom, under whose auspices was held the recent Washington Peace Conference. Attending the sessions of this conference, says Miss Doyle were women noted for their radical views, friends of Soviet Russia and pro-German sympathizers.

Jane Addams Active

Miss Jane Addams, who through her famous Chicago Settlement work was one of the most idolized women in the United States, is one of the founders of the Women's International League. Among those assisting in its formation was Frau Rosika Schwimmer, a Hungarian Jewish Communist, who came to the United States in 1914, ostensibly as representative of the International Suffrage Alliance, but, according to the Lusk report—quoted by Miss Doyle, from the American Veterans' National Bulletin—is in reality a German agent.

As the famous "Peace ship" was Frau Schwimmer's idea, it is believed that the "Pax Special" train which recently toured Canada and the United States, was another of her dreams.

In discussing the "Pax Special," Miss Doyle attempts to show that the women who claimed to represent their countries on the tour and at the Washington conference are leaders in socialistic and pacifistic thought in their respective countries.

The Canadian delegation to the Washington conference included three Toronto women who belong to Toronto's branch of the Women's International League for Peace and Freedom. Although the Toronto branch, says Miss Doyle, has been careful to point out that its constitution does not demand the slacker's oath as a qualification for membership the three women mentioned are all officers in the Women's Peace Union of the western hemisphere, which makes this pledge its qualification for membership. The oath pledges the swearer not to take part in, nor sanction war, offensive or defensive, nor aid in making or handling munitions, subscribing to war loans or in any way assisting in relief work which condones war.

Agnes MacPhail There

Miss Agnes MacPhail, Canada's first woman M.P., was a delighted delegate at the conference, says Miss Doyle. Miss Jeannette Rankin, first woman member of the United States Congress, was also a delegate. It was she who broke into tears when the United States Congress announced a state of war with Germany.

A bulletin of the American Veterans, whose officials watched the Washington conference closely, issued a warning recently of which the following is part:

"Abolishment of all armament by immediate act of congress or parliament; 'disarmament of the public mind' by a carefully directed education in disrespect of national heroes and the government itself in its policy for national defence, and a mighty urge for internationalism as a substitute for patriotism made up the sea of elocution which swamped the fourth biennial congress of the Women's International League for Peace and Freedom.

"Utterances, such as those of Frau Heyman, of Germany, when she said: 'Do not believe in your government do not stick to your laws;' of speakers for the Youth Movement when they advocated disrespect of authority and insubordination on the part of children and youths; of Bertrand Russell, who said: 'We must not view the government of our state with too much respect:' were greeted with thunderous applause from the international delegates to the congress."

The convention went on record as being opposed to all war, and all preparations for war, whether offensive or defensive. It also accepted the report of a committee headed by Gertrude Baer of Germany stating that the league believed and worked for complete and universal disarmament demanding the abolition of hunger blockades and calling for world organization for sound, political and economic co-operation.

A manifesto was also read which made an attack on the victorious allies in the world war, and called the invasion of disarmed Germany by armies of occupation an outrage.

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Current Opinion

THE PRICE OF MONEY

(St. John Telegraph)

Speaking of the reduced interest upon money and commenting upon the sale by the province of New Brunswick of over a million dollars worth of five per cent. ten year bonds at a very favorable rate of interest, THE FINANCIAL POST speaks of other provincial issues that obtained even better prices since the New Brunswick bonds were sold. The price of money has gone down since that date and Nova Scotia made even a more favorable sale than New Brunswick did, due to the date of the issue of the bonds. The Canadian market, however, is not yet ripe for bonds yielding less than five per cent. THE POST says that money continues to be very plentiful in the United States. Probably the constant inflow of gold from abroad has produced this exceptionally easy money condition there. Short dated offerings of the Canadian provincial governments are being offered in the New York market at a sufficiently high price to net the investors barely over four per cent. in the case of issues running for less than a year. As time money there is cheaper still, the temptation to buy even at the low interest return of four per cent. is present.

THE FARMER AND POLITICS

(Breeders' Gazette)

The Gazette will not be drawn into partisan politics during the pending presidential campaign. Among our readers are numbered supporters of each candidate, and they do not take this journal for suggestions as to how they should cast their votes next November. We are well aware that certain friends, more particularly in the Northwest, would like very much to have us voice their demand for Senator La Follette, but that is a matter which each voter must decide for himself.

We believe that we are headed now for better days in agricultural lines. We believe that the future of farming does not necessarily depend upon the success or failure of either one of the contestants for the presidency. We have enjoyed prosperity at various times, and have also endured privations under each of the leading political parties. We do not share in the thought that third party success or complications this year in the presidential battle would or could affect materially the recovery now in progress. In brief, we hold that the operation of unchanging economic laws is superior to any political mutation. It is only the professional politicians who would like to have us all believe that salvation lies only in their particular way. It is not so. All history proves that it is not.

We recommend that farmers proceed, therefore, with their business operations quite regardless of who is or who is not to be chosen to occupy the White House for the ensuing four years. That is what we propose to do, and we are not worrying the least as to what the future has in store.

SET CANADIAN CAPITAL FREE

(Vancouver Sun)

When Canada issued the bonds for the loan of $107,000,000, which matures November 1, the financiers of the United States calculated that it would be 1930 before the Canadian dollar recovered parity with the American dollar. Accordingly only twenty millions, or little more, was taken up across the border.

The Canadian dollar is within a fraction of one per cent. of par to-day and money is to be had on so much more advantageous terms by the Canadian Government that many of those who hold their bonds will be disposed to look to other fields for the investment of the proceeds.

It was a magnificent thing during the war for Canada to raise two billions of dollars virtually among her own people, but the refunding operations of the Government hitherto have taken unnecessary and undue advantage of the spirit of sacrifice then exemplified.

For as loan after loan has matured, refunding has been effected virtually by issuing new bonds to the owners of the old ones.

Thus a vast amount of capital has been tied up and industrial progress and development have been seriously retarded.

Across the border many millions of dollars are looking for investments of precisely the class presented by Canadian Government securities. The New York market, it is understood, is particularly favorable at this time.

The forthcoming bond issue, therefore, should be placed in the United States and the eighty or more millions coming to the Canadian holders paid them in cash.

Necessarily the money would seek investments and since, as has been pointed out, Government bonds of the new issue will afford nothing like the return to which the old holders have become accustomed, much of that money will be directed into other channels, municipal bonds for civic betterment work and Canadian industrial bonds and stocks.

From every standpoint it would be the best sort of business for the Government to borrow abroad and release Canada's own capital.

PERSONAL

J. J. McSWEENEY, who has been elected president of the Life Underwriters' Association of Canada, has been connected with London Life Insurance Company since 1901. In 1906 he was appointed an assistant superintendent and since 1909 he has been superintendent of Toronto East district, which is now the largest in the company's business. Mr. McSweeny has taken an active interest in the affairs of the Association since its inception. In 1923 he was president of the Toronto Life Underwriters' Association and during the past year he has acted as chairman of the executive of the Dominion association.

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The Week's Bond Sales

VERDUN R. C. SCHOOLS

Wood, Gundy and A. E. Ames were joint successful bidders for the Verdun, Que., R. C. schools issue of $150,000, 5½ per cent., 40 year instalment bonds at 100.583. The tenders:

Wood, Gundy and A. E. Ames	100.538
Credit Canadien	100.46
L. G. Beaubien & Co.	100.27
Rene T. Leclerc	100.13
Versailles, Vidricaire & Boulais	99.01

BRACEBRIDGE ISSUE

Bracebridge has sold $8,000, 5½ per cent., 20 instalment bonds to Harris Forbes & Co. at 100.097. The tenders were:

Harris Forbes & Co.	100.097
Cochran, Hay & Co.	99.31
Dyment Anderson	99.25
MacNeill, Graham & Co.	99.118
C. H. Burgess & Co.	98.63
McKay & McKay	98.
Dom. Development Corp.	97.

TOWN OF KENTVILLE, N.S.

H. M. Bradford & Co., got the $16,000 issue of town of Kentville, N.S. The bonds are 5's maturing Sept. 1, 1944 and were bought at 99.35. Tenders included:

H. M. Bradford & Co.	99.35
Johnston and Ward	98.67
Royal Securities Corp.	98.57
W. F. Mahon & Co.	98.399
Eastern Securities Corp.	97.27
Dominion Securities Corp.	96.53
Mead & Co.	96.19
Bell, Gouinlock & Co.	95.33

TOWN OF ST. JEROME, QUE.

McLeod, Young & Weir were successful bidders for $52,000, 5½ per cent., 28-year instalment bonds of the town of St. Jerome, Que., at 101.94. The tenders:

McLeod, Young & Weir	101.94
Dominion Securities	100.59
Wood, Gundy; E. Savard, Ltes., and Credit Anglo-Francais	100.07
Rene T. Leclerc	100.03
L. G. Beaubien & Co.	99.85
Bray, Caron & Dube	99.84
Municipal Debentures	99.65
Versailles, Vidricaire & Boulais	99.65

WESTMOUNT SCHOOL ISSUE

Hanson Bros. purchased the $150,000 issue of 5 per cent. 20-yr. bonds of Westmount Protestant School Commission. The price was 98.917 it being the highest bid of following nine tenders:

Hanson Bros.	98.917
Mead & Co., McLeod, Young, Weir & Co.	98.818
Ernest Savard, Ltd.	98.77
A. E. Ames & Co.	98.69
Dominion Securities Corp.	98.519
Harris Forbes & Co.	98.492
Wood, Gundy & Co.	97.328
Rene T. Leclerc Inc.	96.89
Credit Canadien	94.72

ONTARIO OFFERING

The issue of $20,000,000, 4½ per cent. 20-year province of Ontario were sold at 94.8697 or a 4.91 per cent. basis. The bids of the two large syndicates which tendered were close:

Bank of Montreal, Dominion Bank, Matthews and Co., Kerr, Fleming and Co., Blair and Co., First National Bank, Continental and Commercial Trusts and Savings Corp., Equitable Trust Co., Brown Bros., and Co., Halsey, Stuart and Co., Kissell, Kinnicut Co., Illinois Trust Co., First National Co., Redmond and Co., W. R. Compton and Co., First Trusts and Savings Bank, Estabrook and Co., Stephenson, Parry and Stacey, Cochrane, Hay and Co., McLeod, Young, Weir and Co., and Hanson Bros., 94.8697.

National City Co., Wood Gundy and Co., A. E. Ames and Co., Dominion Securities Corp., Harris, Forbes and Co. Dillion, Read and Co., and Guaranty Trust Co., 94.80697.

THE RIVERSIDE ISSUE

In connection with the sale of the $15,000 Riverside issue reported last week, Bird, Harris & Co., who made the purchase, report that the "actual price paid was considerably above the price mentioned." THE FINANCIAL POST secured the information from a source regarded as reliable and regrets any harm which may have been done to the purchasers through its publication.

Defalcation of $2,000 by Lethbridge Clerk

That there should be a more complete check upon the city's accounts by the auditor, was the tenor of a resolution passed by the Lethbridge council after the recent discovery of defalcations amounting to more than $2,000 on the part of a former member of the city staff. The thefts covered the period from August, 1922, to October, 1923, and were covered by falsification of the books of the city. The council has taken steps to find some method which will give a better check upon the books.

The situation which the Lethbridge council has just uncovered is one which is all too common, and a situation which may take place at any time in any one of the hundreds of Canadian municipalities. Many of out towns and cities have installed auditing systems which are almost gun proof, but many of our municipalities are still trusting to the honesty of the financial staff, or probably it should be said, in some cases at least, that they are inviting attempts such as occurred in Lethbridge.

QUOTATIONS ON FOREIGN BONDS

	August 26, 1924
British National War Loan, 5%, 1927	$95-98
British National War Loan, 5%, 1929	93-96
British Funding, 4%, 1960/1990	79-83
French Internal 4s, 1917	32-35
French Victory 5s, 1920	37-40
French Premium 5s, 1920	46-49
German Government 5%	*1825-1925
German Government 4/5, Enforced Loan of 1922	* 50-65
Prussian Consols 4s	3-5
City of Berlin 4s, 1922	*250-375
City of Berlin pre-war issues	10-12
City of Hamburg 4½s, 1919	*375-475
City of Hamburg pre-war issues	4-5
City of Leipsig pre-war issues	7-9
City of Munich pre-war issues	8-10
Badische Anniline Co. 4½s	13-17
Krupp, Ltd., 5%	2-4
North German Lloyd 4½s	16-21
Hamburg-American Line 4½s	17-24

Quotations: French bonds per thousand francs, British per £20, German per thousand marks.

* is million marks.

News and Views of Bond Market

EDGE TAKEN OFF BOND DEMAND IN NEW YORK MARKET

Result is Increased Offerings to Canadian Investors

Whether the culmination of the strong upward movement for bonds in the American market has been reached or whether only a temporary check has occurred, the fact remains that there has been a marked change in New York in the past week and this has had a direct bearing on the Canadian situation. For several weeks THE FINANCIAL POST has been pointing out that the end of the upward movement would come when there was a demand for money for industrial purposes which would take the funds which the banks have been pouring into the bond market. Prospects for improved buying power in Europe as reflected in the price for American food products and better profits for the agricultural community resulting in better demand for manufacturing products, have been mentioned as factors likely to bring about the logical change in the investment cycle. New York now reports a reactionary market "with Liberty bonds, foreign obligations and railroad issues participating in the downward movement." The difficulties of Wilson and Company have been advanced as a factor in the situation but this development has no doubt been an excuse rather than a reason for the change in trend. The rate for time money has firmed and there has been a change in speculative sentiment.

There has been no material change in the Canadian bond markets but the New York influence has been felt. The Ontario issue of $20,000,000, 4½ per cent., went to New York on the very satisfactory basis of 4.90 at the end of last week, American and Canadian houses being associated in the successful syndicate which was headed by Kissel, Kinnicut Company, of New York. It is reported that the issue has been fully taken up but, with the change in the New York market, a much larger share has been apportioned to Canada than would have been the case had the subscriptions been called a week earlier. Another effect of the change in the New York demand has been on the trading market in Canada; this market was very active this summer up to a few days ago when Wall Street's insistent call for bonds subsided.

The Federal Financing

So far as the Dominion loan is concerned it is still anticipated that the bulk of the financing will be done in New York, but in view of the recent trend of the market there is now thought that a larger portion of the money will be raised in Canada. As was pointed out in connection with the recent Nova Scotia issue, the New York market is particularly attractive for short term issues and it is now thought that the division between the two markets may include short term bonds for New York and long term bonds for Canadian investors. The possibility of the British market is still being considered although sterling exchange has declined from its recent best.

Apart from the Ontario issue, the week's sales have not been important, there being few municipalities in the market. Some increase of interest in industrial issues is noted and this is expected to grow following the vacation period.

C. N. R. MAKES BID FOR B. C. RAILWAY

Would Take Over P. G. E. as Colonization Line for Peace River Area

VANCOUVER.—M. H. McLeod, consulting engineer, Canadian National Railways, has made an offer to Premier John Oliver for acquisition by Canadian National of the Pacific Great Eastern Railway. Mr. McLeod and D. A. Campbell, construction superintendent for the C. N. R., left immediately for a trip through the towns of the Cariboo, through which the P. G. E. runs, to spend a week sizing up the possibilities of the P. G. E. territory from a colonization standpoint. Canadian National engineers are now in the field looking over the whole scheme.

Mr. McLeod is willing to take over the P. G. E. as it stands from Clinton to Quesnel, and on to Prince George, but would join up with the C. N. R at Ashcroft by abandoning the P. G. E. for those sections east and west of Lillooet. These rails he would lay between Ashcroft and Clinton, and make a through connected line of the project.

Quite the biggest feature of Mr. McLeod's proposal on behalf of the Canadian National Railways, aside from the lure that it holds to lighten the burden of taxation which P. G. E. losses now charge up to the provincial government, is the fact that he is considering the P. G. E. situation in it relation to the development of the Peace River country. He will be ready shortly with a recommendation of what, in his opinion, is the best way to carry out the wheat from the Peace River country so that it can be brought to Vancouver over the C. N. R. and P. G. E.

HIGH PRICE FOR SEAT

New York Stock Exchange membership of James T. Bryan has been sold to Frederick W. Droge, consideration $82,000. Last previous sale was $81,000.

Defective Charter is Now Causing Trouble

From Our Own Correspondent.

SYDNEY.—The laxity and carelessness about civic business, and the preparation of civic statutes which is characteristic of many Canadian municipalities was again brought to public attention recently at North Sydney, where an important enquiry had to be adjourned at the last moment because years ago someone failed to insert in the town charter a provision empowering the council to take evidence under oath. Worse still, it came out at the meeting that the omission had been discovered several years ago, but no steps were taken to remedy it. The present difficulty arose through the action of a provincial constable in charging that members of the town police force are mixed up with rum-runners. The attorney-general's department has been asked to probe the matter.

London press, discussing possibilities of general election, says faction of Labor party favors protective tariff, and points to interview of Chancellor of the Exechequer Snowden as indicating possible split in Macdonald cabinet.

Must Canadian National Pay Taxes to Provinces?

A difficult problem in taxation has arisen between the provincial government of Manitoba and the Canadian National Railway. The provincial treasurer is demanding that taxes shall be paid by the Canadian National on the basis of a contract entered into some years ago by the Canadian Northern Railway. According to that agreement the basis of taxation is a percentage of the gross earnings of the road. These, the Canadian National has apparently refused to disclose, and the provincial government has compromised on the payment of a fixed sum of $85,000 a year. It is reported that the counsel for the railroad has refused payment, and has signified his intention if pressure for payment is brought to bear, to transfer the ownership of the Canadian National Railways to the Crown thus exempting the entire system from taxation. While the proposal is not taken seriously the case has interesting possibilities, and the decision in the Manitoba case will have a bearing on the situation in the other provinces as well.

Watch Conversion Price When Buying High Interest Bonds

Recently there has been the suggestion that some of the Canadian industrial corporations that issued 7½ and 8 per cent. bonds during the period of high interest rate a few years ago may redeem these issues shortly. In many cases the issues are redeemable at 105 or 110, and it would be profitable to redeem the issues at these figures and sell new bonds at present interest rate to provide the funds. This is because of the decline in rates of interest which have made it possible for established industrial corporations to sell bonds to the investors at a yield of 6 per cent. or slightly more.

This situation calls attention to a point that investors must watch in purchasing industrial and corporation securities. They must be very careful in purchasing bonds, especially bonds with high interest coupons and that are redeemable at an low figure. If the redemption point is not considerably higher than the price paid for the security, the investor stands the risk of having his security called at a price that will rob him of some of the potential profits he had counted on. To purchase an 8 per cent. bond at, let us say, 108 and have it redeemed at 110 in a year or two seems at first glance to provide a very satisfactory profit over and above interest received. But if in the meantime there has been a general advance in all bonds, the profit to the investor on the transaction would not be as great as if he had purchased a longer term issue with lower interest rate, for such an issue probably would have advanced more than the difference between the purchase price and the redemption price on the higher-priced issue.

Few Redemptions So Far

Canada has not had many bond issues redeemed during the past year or two for purposes of the financing at lower interest rate. Such redemptions as have taken place have been effected chiefly in connection with new financing for extensions or for the provision of working capital. In the United States, though, it is pointed out that in the first half of this year $121,000,000 of bonds have been called for redemption and paid off before maturity. In many cases the issuing companies have sold lower interest rate bonds to secure the funds for this purpose. It is decidedly advantageous to sell new bonds for lower rates of interest and retire the older issues at the prices fixed for their redemption.

The investors have not benefited to the same degree as the companies because they have not been able to get new issues at as high a rate of return as they had counted on for the term of their original bonds. Not in every case has the premium received above the price originally paid been sufficient to compensate for the early retirement of their investment. A quick profit on any security is not always to be regarded as a signal to take the profit and transfer the invested funds to some other investment. For in many cases it will be found that while the investment has risen in value, other investments have seen a similar movement, and so the extra price received for the first investment is offset for the higher price that must be paid for the second investment.

Regarding New Issues

This question has been brought up by investment writers in the United States, and the financial editor of World's Work goes so far as to suggest that investors should not purchase any new issues unless the redemption price is at least ten points above the offering price. He points out that underwriting houses serve the corporations whose securities they sell, as well as the investors to whom they sell them. The suggestion is that the investment houses will for that reason not always require a high redemption price on issues they bring out. The point is one that investment houses usually leave to the investor to dig out and decide on for himself. Regular monthly offering circulars seldom give this important information, but the detailed descriptive circular should always indicate the redemption price.

Whether we will go back to prewar interest rates or not is a question, of course, but there has been a definite downward tendency for two or three years in interest rate, and investments should be made with a view to getting every possible profit out of this movement, should it continue.

Gambling in German Bonds Rampant in East

From Our Own Correspondent.

SYDNEY.—Considerable dabbling in German bond issues, chiefly city and municipal debentures, is going on here, as a result of freely circulated stories of large profits made by foreign speculators who bought at very cheap rates some months ago. One leader of the Italian colony is credited with having cleaned up $7,000 in a few hours, and others with various amounts. None of these stories can be confirmed, when traced back to the supposed lucky speculators, and the suspicion is growing that they are merely circulated to keep up interest in the market.

Canadian Mines Merger Co. organized in British Columbia with capital of $11,200,000.

UNLISTED BONDS

(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	95¾	96
Alabama 5% 1962	81¾	81¾
Algoma Steel 5% 1962	33	..
Belding 5% 1936	86	..
Belgo Can. Paper 6% 1943	95¾	95¾
Brand-Henderson 6% 1939	..	91
Burns, P. & Co. 6½% 1943	98	100
Can. National Rly. 5% 1954	101¾	102¾
Calgary Brewing 5% 1942	78	..
Can. Steamship Lines 7% 1942	95¾	96¾
Can. Light & Power 5% 1949	81¾	81¾
Can. Pacific Rly. 5% 1934	99¾	99¾
Can. Steel Foundries 6% 1936	98¾	..
Dom. Iron 5% 1939	..	65
Dom. Power 5% 1932	91	..
Dom. Textile 6% 1949	102¾	..
East Koot. Power 7% 1942	101¾	102
Fraser Co. 8% 1941	105	105¾
Frontenac Brewery 6% 1951	..	88
G.T.P. 4% 1955	72¾	..
G.T.P. Sup. 4% 1955	73	..
Holt, Renfrew 5% 1937	..	96
H. Smith Paper 7% 1941	..	96
Lake Sup. Paper 6% 1941	105	..
Laurentide Pow.	98	98¾
Laurentian Power 6% 1936	94¾	95¾
Maple Leaf Milling 6½% 1943	101	..
Maisonneuve 5% 1954	98¾	..
Man. Power 7% 1941	99¾	100¾
Mattagami	25	35
Montreal Pub. Ser. 5% 1942	86¾	87¾
Montreal Steel Works 6% 1940	99	..
Province of Ontario 5% 1948	101¾	102¾
Nor. Ont. Power 6% 1931	94¾	95¾
Ontario Pulp 6% 1931	105	..
Price Bros.	98¾	99¾
Paton Mfg. Co. 6% 1953	93	94
Shaw. Cotton 6% 1949	..	78
Shawinigan 5½% 1950	..	102¾
Shawinigan 6% 1950	..	105¾
South Canada Power 6% 1949	101	101¾
Spanish River 8% 1941	..	107¾
St. Maurice Power 6½% 1953	104¾	105¾
Wabasso Cotton 7% 1942	..	93¾
Windsor Hotel 6½% 1943	100¾	101¾
West. Koot. Power 6% 1943	100	..
West. Power 5% 1949	90¾	..
West. Power 7% 1926 debs.	98	..
Quebec Power 6% 1953	98¾	99¾
N.S. Steel 6% debs.	..	60
Electrical Dev. 5% 1933	98	99
St. Law. Sugar 6% 1932	89	..

BOND MOVEMENTS OF THE WEEK

WEEK ENDING AUGUST 26

BONDS	Int. Rate	Due Year	Yield	Range 1923 High	Low	Range 1924 High	Low	Ask	Latest Price Bid	High	Low
Bell Telephone	5	1925	5.52	101	97¾	100¾	98¾	—	99	99¾	—
Canada Cement	6	1929	5.65	103½	100	103½	100	102½	101½	101½	—
C.C. Rubber	6	1946	6.10	102¾	98¾	99	95	—	98¾	98¾	..
Can. S.S.L. debs.	5	1943	7.48	81¾	75	79	70½	75	—	75	—
Montreal Trams	5	1941	5.46	92¾	87½	94¾	93¾	—	94	94¾	..
Quebec Rly.	5	1939	6.07	83½	68	89½	80	89¾	—	89½	88¾
Sher. Williams	6	1941	5.90	102½	101	102½	101	102	101	101	—
Wayagamack	6	1951	8.22	86¾	75	80¾	74¾	76½	—	76½	—
War Loan	5	1925	4.36	100.95	99.10	101.15	100.15	101.00	100.90	100.85	100.30
Do.	5	1931	4.74	101.80	99.80	101.90	100.15	101.45	101.35	101.30	101.00
Do.	5	1937	4.70	103.30	102.00	103.30	102.10	103.40	103.30	102.80	—
Victory Loan	5½	1924	3.75	101.65	99.80	100.95	99.95	100.25	100.15	100.15	99.95
Do.	5½	1927	4.64	103.50	101.00	103.15	102.15	102.90	102.80	102.95	102.50
Do.	5½	1933	4.68	106.70	104.15	106.65	104.30	105.90	105.80	105.80	105.25
Do.	5½	1934	4.95	103.90	101.30	104.15	103.00	104.30	104.20	104.15	103.30
Do.	5½	1937	4.68	108.45	105.25	108.17	106.30	108.20	108.10	108.05	107.25
Do. Renewal	5½	1927	4.96	102.80	100.75	101.90	101.00	101.90	101.70	101.90	101.55
Do. "	5½	1932	5.00	103.15	100.80	103.25	101.35	103.50	103.35	103.25	103.00
Do. Refunding	5	1928	4.95	99.70	98.80	100.50	99.40	100.25	100.15	100.25	100.10
Do. "	5	1943	4.80	99.25	97.90	102.65	99.90	102.90	102.70	102.65	101.50

New Issue
PROVINCE of ONTARIO
4½% Gold Bonds,
Due 1st September, 1944,
Price 96¾ and Interest,
Yielding over 4.75%,
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Ontario
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CALGARY, ALTA.

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

Blow to Canada When McKenna Pref. Passed

The removal of the McKenna preferences struck a blow at the head of Canadian automotive export trade, Vice-president T. A. Russell, of Canadian Automotive Association, told C. N. E. luncheon this week. In touching on production figures, he said that the output of autos and accessories in Ontario "annually exceeded the whole of the mineral output of the province by more than $20,000,000."

Municipal and Provincial Finance

SEPTEMBER
INVESTMENT SUGGESTIONS

Canadian Locomotive Co. Ltd.
1st 6's—1951
to yield 6 per cent.

Laurentian Power Co. Ltd.
1st and Ref. 6's—1936
to yield 6.20 per cent.

Northern Ontario Light & Power Co. Ltd.
1st Mtg. 6's—1931
to yield 6.50 per cent.

Particulars on request.

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OSLER & HAMMOND
Stock Brokers and Financial Agents
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PEAT AS FERTILIZER

Of the 61,355 tons of peat produced in the United States in 1913, the greater part (57,907 tons) was used as fertilizer and fertilizing ingredient. Only a very small quantity was used as fuel. The total value was $376,834, equal to $6.14 a ton.

We offer a new issue — *Non-callable*

Province of Ontario
4½%
Twenty Year Gold Bonds

Dated: September 1, 1924. — Due: September 1, 1944.

Principal and semi-annual interest, March 1st and September 1st, payable at the option of the holder in Canada, London, Eng., or New York. Denomination: $1,000, registerable as to principal only.
Legal Opinion: Messrs. Long & Daly.

These bonds and the interest thereon are a direct and primary obligation of the Province of Ontario and a charge upon the consolidated revenue fund of the Province.

OUTSTANDING FEATURES:
1. A direct and primary obligation of the Province of Ontario.
2. Payment of principal and interest in gold coin in Canada and New York, and London, England, at the par of exchange.
3. A discount, dollar bond.
4. International marketability.
5. Not callable before maturity.
6. The absence of a premium on American exchange AT THE PRESENT TIME makes possible and profitable the purchase of these bonds by Canadian investors.

PRICE: 96.75 and accrued interest, yielding 4.75%.
(Canadian Funds)
The above bonds are offered for delivery in interim form on or about September 4, 1924, if, as and when issued and delivered to us.
Orders may be telephoned or telegraphed at our expense.

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DEFINITE RULES OUGHT TO DECIDE REVENUE SOURCES

Jurisdiction of Taxing Bodies Should be Clearly Divided

A question of outstanding interest in Canadian public finance at he present time is the problem of preventing overlapping in the tax-collecting machinery as between the municipal, the provincial and the federal governments. Each has its own requirements, but, in the past, very little attention has been paid in Canada to the matter of the proper source from which each of these taxing bodies should obtain its revenue. An interesting study of the problem, especially as it affects British Columbia, has been made by S. E. Beckett and reprinted in the "Journal of Political Economy" for August. While the conclusions drawn bear most directly upon the problem of the coast province, the principles laid down deal with the question as it affects the country as a whole. Mr. Beckett's conclusions are, therefore, reprinted in the following paragraphs:

"In the light of community psychology regarding matters of public finance, an attempt should be made, as far as possible, to align revenues according to their nature as provincial or municipal. It is true that no hard-and-fast line can be drawn, and that the large corporation cannot exist and prosper without well-governed localities, and the small local business must have the provincial authority and the province-wide corporations. But in the present, while a hard-and-fast line of division cannot be drawn in this, or in any other social demarcation, there is "weight of evidence." The local business as it faces the activity immediately confronting it each day, looks to the local government for all those advantageous conditions necessary for local business to be carried on successfully—streets, sidewalks, water, light, fire and police protection, a street railway system conducted in fairness to the public, and a well-ordered local community. But the large jam factory in a small incorporated village may be convenient to a fruit locality, on a railway spur, not requiring a foot of road in the village to get its materials and products in and out, and doing a province-wide business, should not be taxed on its income for local revenue. The locality may properly tax its real estate, and such tax very approximately corresponds to local government services. The weight of evidence would assign such income tax to the province.

"Perhaps the chief defect in the arrangement for added municipal revenue, in giving the localities half the liquor profits, the tax on race-track betting, and one-third of the increased revenue from motor licenses, is that it suggests that the municipalities have as good a claim to revenue from one source as from another—an idea which would breed irresponsibility. It does not conduce to a sober, intelligent understanding of the limitations within which governments must work.

"Both province and municipalities must have revenues. Accordingly to each let assignment be made as the weight of evidence indicates. Nothing can be lost and something may be gained by assigning revenues, where possible, according to some working idea. When this is done, available revenue, whether neutral in character or not, may be distributed, not as dictated by confusion of tongues or bewildered controversy, but more in the light of recognized needs.

"In harmony with this the revenue from real estate, business licenses such as remained, and the income tax on local business concerns, together with such of those minor taxes as were wanted, should be assigned to the municipalities. The revenue from taxation of railroads except their real estate properly defined in their case, the tax on the business of corporations and the other taxes now standing as provincial revenue, except the personal-income tax, may be assigned to the province.

This last-named tax may properly and conveniently be used as the adjusting link. As persons, there is somewhat more connection between us and the provincial government than between them and the central government.

"There may be certain corporations which carry on their business, or a distinct part of it, catering to local trade. Thus a local retail store may be organized as a corporation. A department store has its local business and its mail-order trade. These are kept distinct, and there should be no difficulty in separating the taxes. Such special cases would be detail readily taken care of in administration.

"These different kinds of business, local and corporate, usually grow in a proportionate way, with the growth and needs of the community. Wholesale concerns expand with the retail trade and this as the local community grows. It would seem that there is more than a rough approximation between the revenues from the different sources and the services of the government to which they are assigned.

"Regarding the special revenues assigned to the localities in 1921, two of them should be returned to the jurisdiction especially responsible for them—the liquor profits and the tax on gambling at race meetings should go to the province while they last. The revenue resulting from the use of motor vehicles, in whatever form raised, should be collected and controlled by the province, but in its distribution due consideration should be given to cities where motor traffic, light and heavy, is very dense and wearing on costly surfaced streets. But at the same time a proper part of this revenue should be expended on truck roads used for general motor traffic through rural districts.

"In this suggested separation of revenues it is assumed that the provincial government, as stated above, will continue to be the leader in progressive policies of general interest such as education, hospitals, and the development of agriculture, and will continue to make grants locally for the furthering of its policies. This provides, with the personal-income tax, a second adjusting link in the revenue relation.

"The municipalities fear to trust to the tax on realty as the chief tax. They are inclined to insist on some variety of main sources, and are convinced that they have a just claim on part of the income tax. In the heat of controversy they claimed almost everything in sight. And since "separation" is a characteristic of the revenue system of the provinces of Canada, the writer is of the opinion that the suggestions herein given could be applied in British Columbia in a manner that would safeguard and promote the interests of both provincial and municipal jurisdictions.

"It is worth adding, however, that the policy pursued by the government in consistently avoiding any course that would divert established revenues during disturbed war conditions probably has contributed to a high degree in placing the public credit of the province in its present enviable position. When in September and October, 1923, the government of Canada issued its large refunding loan, a loan of $2,000,000 offered by the government of British Columbia, bearing the same rate of interest, sold rapidly at same price."

Municipal Notes

THREE RIVERS SHIPYARDS

Although a claim was entered by the city of Three Rivers against the defunct Three Rivers Shipyards for more than $180,000 on account of unpaid municipal taxes and other obligations, the city has just accepted an offer of $80,282 made by the liquidators.

ROAD INTO COPPER CLIFF

The Ontario Department of Lands and Forests has just issued tenders for the building of a bituminous penetration surface on the road between Creighton and Copper Cliff in Sudbury district. Tenders are being received by the minister, Hon. James W. Lyons, up to September 1.

PORT ARTHUR OBTAINS LOAN

At a recent meeting of the Port Arthur city council plans were made to obtain a loan of $150,000 from the Bank of Montreal for the purpose of meeting current ordinary expenses. At the same meeting the sum of $5,000 was granted for public school maintenance, and $1,000 for relief work.

DURHAM RAISES TAX RATE

After some deliberation the council of the town of Durham decided upon a tax rate of 55 mills for the year 1924. It was pointed out that the apparently high rate was due to the fact that Durham's rate for some years has been relatively low and that some indebtedness had accumulated. This, it was shown, could be wiped out in a short time at the rate adopted.

NEWMARKET S. S. TAXES

An agreement has just been reached between the council of the town of Newmarket and the Separate School board of that town, whereby the latter is to receive one-thirteenth of the total taxes raised for school purposes. The agreement is nominally for five years but is subject to termination at any time by either of the parties after six months' notice.

CITY CLERK HAS SHORTAGE

The city of Sydney has officially notified Dr. E. J. Johnstone and F. A. DeYoung that they must make good a bond of $5,600 given by them a year ago on behalf of J. J. Curry, ex-city clerk, to guarantee a shortage in the 1922 books discovered by R. Carter, C.A. The bondsmen are preparing to pay up, while Price-Waterhouse auditors are probing for a period of 20 years back.

EVER INCREASING EDUCATION COSTS SERIOUS PROBLEM

Remedies Applied and Suggestions Made for Lowering Costs

At a time when the costs of government undertakings in Canada show a persistent upward tendency, it is refreshing to study methods of lowering these costs, and especially those which have been successful. One of the branches of government operation which involves increasing expense is education. In Western Canada there has been much agitation of late to check the rise of education costs, which do not seem inclined to reach any limit. At a meeting of the Associated Property Owners of Vancouver recently, the high cost of education in that city was assailed in no uncertain terms. It was stated that the cost of education had grown more than 923 per cent. since 1901, while the increase in the school population was only 80 per cent. While this statement as it stands means nothing, the general feeling that the burden of taxation is being increased to the point where the situation may easily become alarming, and that educational costs are a potent contributing factor, is full of meaning. The Associated Property Owners made the following recommendation in an effort to correct the situation:

"That the duties of the municipal inspector should be more clearly defined; that dual inspection be dispensed with and this left entirely in the hands of the provincial government; that all estimates be prepared under joint supervision of the trustees and municipal council, prior to final submission to the council for approval; that it be made obligatory for the school board to abide by the final ruling of the municipal council; that a school manager be appointed, and that the present curriculum be made more adaptable to local conditions."

In Eastern Canada, also, the rising cost of education has been the subject of much discussion, and practical remedies have been suggested and employed. As an example of what has been done in this respect by one city, the following extracts from the 1923 auditor's report on the accounts of the Toronto Board of Education are worth noting:

"At the close of the year 1922 there was a surplus on current account, amounting to $451,118.56, and a surplus for the year 1923 of $331,439.50. At December 31, 1923, there was on deposit to the credit of current account, $562,726.59.

"During 1923, the building department accounts and the maintenance department accounts were placed under one accountant. The making of this change should eliminate the delay which has existed in the past in writing up the accounts of the building department. An arrangement has been made with the chief accountant whereby the financial statements will in future be ready by the 23rd of each month, and I hope that it will be possible to keep to this arrangement.

"The city treasurer sold debentures when the time and the market were favorable and has been able to obtain a better price than was anticipated, resulting in a surplus of funds which is due the board.

"The result of this financing is to give the board $157,906.53 more revenue for building purposes than was anticipated without increasing the debt charges. It will be necessary to obtain the approval of the city council as to the schools on which this money is to be spent.

"The accounting methods of the board have been improved greatly in recent months and by the end of 1924 they should be in good order. However, there are still some matters in connection with the building accounts which should be attended to in 1924. Since the accounts of the board are now under one head there should be no difficulty in having these put right.

(1) Proper records should be kept of the cost of all school buildings and sites. This information is necessary especially when the sale of any building or site is being considered.

(2) More care could be taken in following up overdue rents.

(3) The difference of $12,000 in the statement of affairs of the building department when it was incorporated with the maintenance department has not yet been straightened out. The accountant of the board has gone back to 1910 without finding this amount. He will continue his search further when the board's estimates have been dealt with.

"In former years, contracts entered into by the board on capital construction were regarded as contingent liabilities. During the year 1923 these were incorporated in the accounts as direct liabilities. The uncompleted contracts have, therefore, been deducted from the asset account in the balance sheet."

Tenders and By-laws

Aug. 30, Sydney, N.S.—$262,000, 5½ per cent., 20 and 30-yr. bonds, J. J. Curry, clerk.

Aug. 30, Metis Beach, Que.—$20,000 debentures. A. H. McLaren, sec.-treas.

Sept. 1, Fort Erie.—$20,000, 5½ per cent., 30-yr. debentures. A. E. Seaton, clerk. (See announcement on page 16.)

Sept. 1, Bosanquet Tp.—$21,000, 6 per cent., 10 years. G. Sutherland, clerk, Thedford.

Sept. 2, Senneville Village, P. Q. — $25,000, 5½ per cent., 25-instalment issue. L. J. Boileau, sec'y-treasurer.

Sept. 2, N. Vancouver.—$41,000, 5½ per cent., 20 and 30-year bonds. R. F. Archibald, clerk.

Sept. 2, Orillia.—$110,000, 5 per cent. C. E. Grant, treasurer.

Sept. 5, Goderich.—$143,000, 5½ per cent., 15 and 30-yr. debentures. L. L. Knox, town treasurer. (See announcement on page 16.)

Sept. 8, Counties of Stormont, Dundas and Glengary—$150,000, 5½% debentures repayable in 20 years. James R. Simpson, counties' clerk.

Sept. 8, Vancouver.—$735,000, 5%, 15 and 40-yrs. A. J. Pilkington, city comptroller. (See announcement on page 16.)

Sept. 8, Chateauguay, Que.—$5,000, 6 per cent., 20-yr. bonds. Hector Villard, sec.-treas.

Sept. 8, St. Joseph d'Alma, Que. — $22,000, 5½ per cent., 10-yr. debentures. Eug. Boivin, sec.-treas.

Three Rivers, Que.—School commissioners have decided to issue $52,000 school bonds at 5½ per cent.

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At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

The following, amongst others, are securities for which our market facilities will be found most dependable: Quebec Power 6's 1953, Mont. Public Service 5's 1942, Mont. Tram-Power 6's 1929, Mont. Tramways 5's 1941 and Belgo Can. Paper 6's 1943.

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WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date	Place	Purpose	Sold To—	Rate	Term	Amount	Price	Yield
			Municipal					
Aug.	Riverside, Ont.	Hydro	Bird, Harris & Co.	6 %	20-yr.	$15,000	...	
Aug.	Alberta Schools	...	Various			11,700	...	...
Aug.	Saskatchewan Schools, etc.	...	Various			13,400	...	...
Aug.	Sarnia	...	Gairdner, Clarke & Co.	5½ & 6%	5 & 10 ins.	47,311	100.37	5.65
Aug.	Bracebridge	...	Harris Forbes & Co.	5½%	20-ins.	8,000	100.097	5.50
Aug.	Westmount	School	Hanson Bros.	5%	20-yr.	150,000	98,917	5.10
Aug.	Verdun R. C. Schools	...	Wood, Gundy and A. E. Ames & Co.	5½%	40-yr.	150,000	100.538	5.46
Aug. 26	St. Jerome, Que.	...	McLeod, Young & Weir	5½%	28-yr.	52,000	101.94	5.36
Aug.	Kentville, N. S.	...	H. M. Bradford & Co.	5 %	20-yr.	16,000	99.35	5.06
			Corporation					
Aug.	Acadia Apartments	...	Royal Securities Corp. & Syndicate	6½%	15-yr.	850,000	...	...
			Provincial					
Aug. 21	Ontario	...	Bank of Montreal and Syndicate	4½%	20-yr.	$20,000,000	94,8697	4.90

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J. F. Honsberger, M. D., and J. M. Livingston, M. D., Medical Directors.
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J. M. Laing, A. I. A., F. A. S., Associate Actuary.
G. J. A. Reany, Supt. of Agencies.
SIMS, BRAY & McINTOSH, Solicitors.
Assets, $59,727,388 Head Office, Waterloo, Ontario Business in Force $269,982,566

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Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$81,000,000.00
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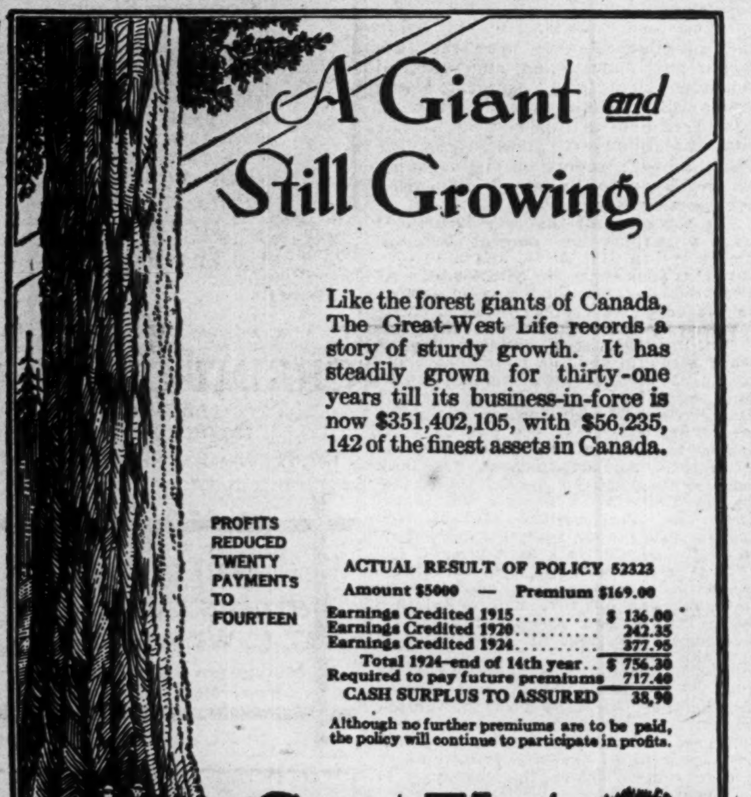

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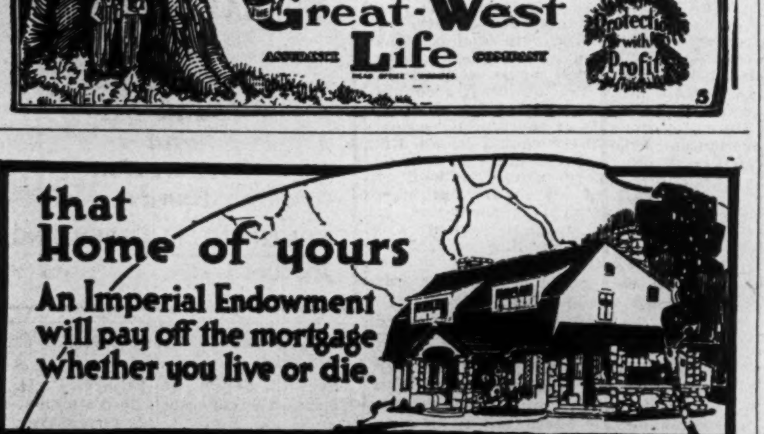
ACTUAL RESULT OF POLICY 52323
Amount $5000 — Premium $169.00
Earnings Credited 1915........... $ 136.00
Earnings Credited 1920........... 242.35
Earnings Credited 1924........... 377.95
Total 1924—end of 14th year.. $ 756.30
Required to pay future premiums 717.40
CASH SURPLUS TO ASSURED 38,90
Although no further premiums are to be paid, the policy will continue to participate in profits.


that Home of yours
An Imperial Endowment will pay off the mortgage whether you live or die.
The IMPERIAL LIFE ASSURANCE CO. OF CANADA HEAD OFFICE TORONTO

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Mortgage Corporation
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Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
WEDNESDAY, THE FIRST DAY OF OCTOBER
next, to Shareholders of record at the close of business on the Fifteenth day of September.
By order of the Board.
Toronto, August 20th, 1924.
WALTER F. WATKINS,
Secretary.

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MANUFACTURERS FINANCE
CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - - $6,500,000

Insurance for Buyer and Seller

WEEKLY PAYMENT POLICIES ARE A NECESSITY TO-DAY

Companies Are Taking Big Interest in Health Problems

Industrial insurance is an effort to provide safe, small insurance on scientific principles for the great mass of the people. This is what E. J. Traveler of the Metropolitan Life, Winnipeg, told 300 insurance men at the Canadian Life Underwriters' convention at Winnipeg last week. During the course of his address Mr. Traveler outlined briefly the history of this branch of insurance since the days when people made clumsy, unscientific efforts to insure themselves through clubs, etc., to the present successful system.

In commenting on the plan now in use he said:

Its broad underlying principles are easy to understand, but the application of them to existing conditions involves difficulties and intricate details which require the resources of great companies, involves also tremendously hard work on the part of able men who are putting all their strength and mind and body into the problems continually arising and into the conscientious work of improvement and endeavor to reach perfection.

Plan is Necessary

Weekly payments of premiums instead of quarterly or semi-annually are a necessity. It is lamentably so; no part of the business so greatly increases the expense, but it is none the less a necessity and must be met as such. The system is a success; it is meeting the demand, and is partly justified for these reasons. The reasons are grounded in human nature—here is broad fact and we are dealing with facts. Men feel the need of fire insurance and life insurance—they will have both, but when we come to the individual man we find that he will seek fire insurance and run to get a policy; to take life insurance he must be sought out and the policy must come to him. Why is it? we do not know. We only know it is so and we meet facts as they are: Men will send their premiums to fire companies, but will wait for the collector to call for their life insurance premiums. When you call for a monthly premium you will not get it—it is either too small or too large—the industrial policyholder will pay weekly; the well-to-do will pay yearly or bi-yearly and even these will usually wait until they are asked to do so by notice.

Have Health Program

Recent developments have gone further than the mere collecting of premiums and payment of claims. The companies have gone much further in conducting health campaigns, in distributing instructive health literature and in one instance are supplying visiting nurses for the purpose of of caring for and instructing the policy-holders. The far-reaching result of these services will hardly ever be accurately known, but it is safe to say that thousands of lives are saved and life in general prolonged by these efforts. Statistics show that insurance companies' mortality is being reduced at a greater rate than the general mortality and this result cannot be traced to any other source than the health educational campaigns that are brought to the very doors of the industrial classes and the periodical examination by the "Life Extension Institute" of the more prosperous policy-holders.

Figures presented at the meeting by A. R. Traynor showed that there were 58,786,000 policies in force at the end of 1923 for a sum of $9,484,406,000. This represents a tremendous growth from the total of $443,000 in 1876.

NEW FIRE HAZARD IS INTRODUCED BY MANY RADIO SETS

Proper Installation is Big Factor in Avoiding Fires

From Our Own Correspondent.

MONTREAL.—Fire underwriters here are of the opinion that while the presence of radio apparatus may slightly increase the possibilities of fire, where good material has been used in the manufacture of the set and where it has been properly grounded, etc., the hazard is not great. To date there have been only a few isolated cases in Canada where fire has been definitely caused by radio apparatus, and most companies have no experience along this line whatever.

Two important instances have occurred in the States, the first in New Jersey, where an abandoned radio aerial which had been hanging with one end loose and the other attached to the top of a pole carrying 2,400-volt electric light wires came in contact with the high-tension wires strung below it. A milkman who touched the wire was knocked unconscious to the sidewalk, and when the fire department responded to the call, two firemen, who endeavored to cut the wire, were instantly killed. The other fire occurred in the basement of a home where a work bench was situated, on which radio and other electrical work was done. A connection had been left between a storage battery and the city electric current so that the battery could be charged. As the alternating electric current supplied by the city had to be transformed into a direct current for charging the battery, a rectifier had to be kept. One morning, when the lady of the house was sifting ashes, she stood in such a position that her dress hung over the rectifier. The heat from this set fire to her dress and she was fatally burned.

Lightning Hazard

No cases of loss of life due to a radio-caused fire have yet come to hand in Canada, state underwriters, although they admit that their responsibility has been greatly increased of late by the enormous number of radio sets recently installed. There is always the possibility of lightning striking radio antennae, and it is equally obvious that many sets, especially those installed by unskilled amateurs, are not safeguarded against destruction in this manner, and if not properly protected may do serious damage. Officials of fire companies point out that wiring in connection with radio outfits should be installed under the guidance of an electrician who understands such matters. Most of them will not insure where the outfit has not been inspected by the C. F. U. representatives, or where recent federal or provincial inspections have not bee satisfactorily made.

Secretary Howgate of the Canadian Fire Underwriters' Association informed a representative of THE FINANCIAL POST this week that members of the association do not make an extra charge where a receiving set has been erected and is in good condition, as the hazard is not considered to be sufficiently great; although the companies are more particular in the case of a distributing set, and quite often make extra charges, especially where conditions are none too good. He pointed out that one of the most important precautions a radio operator should take is to keep the antennae clear of all electric light and power lines, and that the antennae should be installed in such a manner that there will be no swaying or falling down during stormy or windy weather. A protective device known as a lightning arrester might also be used to good effect. This protector should be installed in the lead-in wire as near as practicable to the point where the wire enters the building, and should not be placed in the immediate vicinity of easily-ignitible material, or where exposed to inflammable gases or combustible dust and flyings.

APPOINTED FIRE CHIEF

John Miterelle, of the Hamilton fire department has been appointed fire chief at St. Thomas.

BECOMES SUPERINTENDENT

E. Stuart Taylor has been appointed superintendent of agencies of the Crown Life Insurance Co. Mr. Taylor has been associated with the Sun Life Assurance Co., of Montreal, for the past 18 years, and has latterly held the position of secretary of home agencies. He is taking up his new duties immediately, and his headquarters will be in Toronto.

ST. REGIS PURCHASES LAND

QUEBEC.—Further evidence of the decision of the St. Regis Pulp Company to build a mill at Cap Rouge, eight miles west of this city, was available recently, when it was learned officially that in the last few days the pulp and paper company mentioned has completed the purchase of lands to an amount of $70,000, and within a few days more is expected to take over nearly as much land again.

ARE DISABILITY RESERVES FULLY ADEQUATE HERE?

With New Feature Introduced Another Insurance Question Arises

From Our Own Correspondent.

MONTREAL.—Canadian insurance men are expressing great interest in an address given by Commissioner Howard P. Dunham at the recent National Convention of Insurance Commissioners in Seattle on the subject of reserves for total and permanent disability and non-cancellable accident and health clauses. As in the States, this feature is a comparatively new one to the world of insurance, having only been introduced a few years ago. Owing to the little or no experience Canadian companies have had along this line, officials here are loth to pass any definite opinions on the subject, preferring to wait until Time and his partner Experience can prove the adequacy of the present standard.

Commissioner Dunham, who has made an exhaustive review of the situation and the actuarial basis now being used, submitted the following conclusions:

"The reserve situation is unsatisfactory, admittedly so, I venture to say. Probably the total reserves carried by the companies are adequate. Some companies voluntarily increase Hunter's reserve. I certainly would not recommend any statutory change to a higher reserve basis which could be prescribed. The need is obviously for a new table. It is the opinion of most of the interested parties that the time for the preparation of such a table is not ripe, on account of the meagre amount of experience available, and of the serious limitations even in connection with this.

"Even if the data upon which a standard table to be constructed were homogenous enough for practical purposes, there are technical factors involved which would render a resulting experience at least misleading. The bulk of the experience is based upon lives recently insured upon which the rate of disability is obviously much less than it will be when the effect of medical and underwriting selection has worn off. The rate of disability that would be obtained from any experience that might now be worked would grossly understate the true rate of disability that should be reflected in a standard table.

Experience Not Clear

"Other technical problems are involved in the mortality rate after disability. So little experience on this has resulted that the mortality rate is unduly influenced by the mortality from diseases that result in death soon after disability, and too little weight is given to the mortality among the blind, certain forms of insanity and other causes where death may not occur for a long time after disability. The important point in both these technical problems is that a table based upon immature experience in either respect would probably result in inadequate premiums and reserves.

"Many of these factors would influence the experience because of the differences between companies and between practices of the same company at different times, and many of these factors would influence the experience fundamentally. The standard table should reflect the future. In this case the past has changed so rapidly that it is not a reliable guide for the future.

"I believe most companies are watching the situation carefully. We should lay plans, however, for the future preparation of new tables upon which to value these benefits as soon as possible, and the companies should be urged to a realization that such a work will be promoted by a tendency, to strive for more or less uniformity of coverage and will be hindered by the tendency to diverge from each other's contracts in all possible directions."

Underwriters Elect Executive Officers

Approximately three hundred insurance men attended the annual convention of the Life Underwriters' Association of Canada in Winnipeg last week, which consisted of addresses and discussions in a variety of subjects of special interest to all those connected with the business.

The election of officers resulted in the following: Hon. president, Ed. Morwick; president, J. J. McSweeney; first vice-pres., W. J. Young; hon. secretary; Wm. May, hon, treasurer, S. C. Vincent.

The provincial vice-presidents elected for the coming year are: British Columbia, B. G. McCuish; Alberta, J. A. Collins; Saskatchewan, J. W. Craise; Manitoba, A. E. Clancy; Ontario, L. J. Lugsdin; Quebec, Paul Dubar. New Brunswick, J. W. McCarthy; Nova Scotia, D. A. Cameron; Prince Edward Island, H. Lathorn.

J. J. McSweeney, the new president, has had an extended experience in the life insurance field since he joined the London Life in 1901, for which company he is now city manager of Toronto East. He was president of the Toronto Life Underwriters' Association in 1923.

In view of the changes in the status of the association during the past year the influence which these officers will exercise on the course of the business is likely to increase.

The Record of Fire Losses in Canada

Property Place	Date	Damage	Insurance	Cause
Prince Edward Island				
Kensington—				
Commercial Hotel				
J. McCougan store				
B. B. McFadyn store				
J. A. McPherson store				
H. Morrison store				
P. White store				
Kennedy warehouse	Aug. 16	35,000	......	......
R. Tuptin store				
Bank of Nova Scotia	Aug. 16	45,000	25,000	......
Nova Scotia				
Falmouth, W. H. Payzant, res.	Aug. 8	total	$1,700	......
Brier Lake, res. and barn	Aug. 5	total	small	unknown
Fisher's Mills, Polarus barn	Aug. 8	total	......	unknown
New Brunswick				
White's Mills, J. Worden res.	Aug. 14	total	some	sparks
White's Mills, T. Hughes barn	Aug. 14	total	some	lantern
St. Hilaire, M. Albert barn	Aug. 12	total	......	unknown
Port Elgin, F. H. Copp woollen mills	Aug. 9	70,000	37,500	unknown
Florenceville, Central Hotel and barn	Aug. 18	total	partly	unknown
Moncton, H. Turner barn	Aug. 19	total	none	upset lantern
Roseneath, A. Sherwin res.	Aug. 25	30,000	......	......
Quebec				
St. Flore, M. Gendron house	Aug. 13	total	......	......
Montreal, Montreal National	Aug. 15	consider'ble	.....	electric wires
Montreal, Kendall Bros. stables	Aug. 15	......	....	unknown
St. Athanase, H. Boudreau barn	Aug. 16	6,000	1,600	unknown
Quebec, A. Demers paint shop	Aug. 22	50,000	partial	......
Ontario				
Prescott, W. H. Barrey, res.	Aug. 13	heavy	covered	unknown
Chatham, Dr. W. B. Jones warehouse	Aug. 7	1,000	partial	......
Fairbank, barn	Aug. 18	700	......	......
Simcoe, J. Brown barns	Aug. 5	total	......	lightning
Elmira, D. Crunmar's barn	Aug. 13	total	......	spon. c'mbust'n
Toronto, G. W. Henderson, bldg.	Aug. 19	2,200	......	......
Brockville, W. B. Wright barn	Aug. 13	total	partial	tramps
Mortimer Pt., W. Page cottage	Aug. 19	5,000	none	......
Chatham, S McKibbon barns	Aug. 20	8,000	partial	spon. c'mbust'n
Havelock, T. Bannon barns	Aug. 20	total	......	......
Brockville, F. Beaubiah barn	Aug. 20	total	......	lightning
Cedarville, J. Frances barn	Aug. 19	total	......	......
Onondaga, A. W. Vansickle, 4 barns	Aug. 20	10,000	......	......
Port Arthur, C.N.R. dock	Aug. 18	total	......	unknown
Lyndock, J. Dowswell barn	Aug. 16	3,000	700	......
Tarreton, Johnston dwelling	Aug. 22	total	partial	chimn'y spark
Barrie, two stores	Aug. 16	12,000	partial	......
Toronto, Manning chambers	Aug. 22	1,000	......	spon. c'mbust'n
Monsters, J. Challice barn	Aug. 21	total	......	......
Doon, J. McGarvie barn	Aug. 21	total	......	.....
Vineland, T. Turnbull res.	Aug. 21	3,000	partial	overh't'd stove
Welland, W. Nye, 3 cottages	Aug. 16	6,000	......	......
Toronto, V. McCabe store	Aug. 23	3,500	......	......
Peterboro, S. Olme res	Aug. 17	total	......	unknown
Brussels, O. Walker barn	Aug. 23	total	small	......
Owen Sound, J Moore barn	Aug. 24	6,000	partial	spon. c'mbust'n
Welland, E. Holditch barn	Aug. 23	total	......	......
Mount Vernon, M. Caniskey Mill	Aug. 24	total	......	arson
Acton, Beardmore tannery	Aug 24	200,000	......	unknown
Yarmouth Twp., Ferguson barn and crops	Aug. 25	10,000	partial	gas engine
Derby Twp., Moore barn and crops	Aug. 25	10.000	......	spon. c'mbust'n
Manitoba				
Rapid City, J. Moran home	Aug. 25	total	none	overh't'd stove
West Kildonan, M. McGill barn, (two deaths)	Aug. 20	total	......	......
Saskatchewan				
Drinkwater, W. Brown res.	Aug. 13	total	......	stove explod'd
Saskatoon, Orange Crush Co. garage	Aug. 12	30,000	partial	......
Alberta				
Grassy Lake, G. Henry res.	Aug. 14	total	......	oil on stove
Granum, S. G. Stewart res.	Aug. 13	heavy	some	chimney
British Columbia				
Cowichan Stn., A. H. Daniels house & store	Aug. 4	total	none	defect. chimn'y
Vancouver, Ramsay Bros. factory	Aug. 13	15,000	fully	......
Steel Head, Cootes & Reynolds' mill	Aug. 12	total	......	......
Duncan, A. Whitbourn, res.	Aug. 11	4,000	partly	sparks
Courtenay, A. Cessford res. and barn	Aug. 13	7,000	......	lightning
Vancouver, C. H. Koberg res. (two deaths)	Aug. 14	total	......	unknown

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USING CULTIVATOR INSTEAD OF PLOW ENSURES A CROP

Alberta Farmer With Unique Method Beats Drought

IS DOING WELL

Last year THE FINANCIAL POST correspondent at Calgary paid a visit to the farm of A. K. Bohanan, Sibbold, Alta., and wrote interestingly of his farming methods. This year reports have reached Calgary of the excellent crop he is growing while others are badly burnt. A party from Hanna went to inspect his crop. They found the unexpected, a good crop, the only one in the immediate vicinity. Hanna Herald says:

As a result of the trip the party came back to Hanna thoroughly convinced that there must be something in Mr. Bohanon's method of farming that was superior to any other yet tried out.

Between Hanna and Sibbald there are crops that are fair, but the best crop of all was seen when the Bohanon farm was reached. On this farm there are two hundred acres of wheat and fifty acres of oats that make one feel good after looking them over. Both crops are standing at a height of about three feet and as the oats have just headed out will probably add another foot in length before the growing season is at an end. Mr. Bohanon estimates his prospective yield of wheat at 25 bushels per acre, and oats at 50.

The party walked over a considerable portion of Mr. Bohanon's fields and one thing that is noticeable as soon as you enter the grain is the absence of weeds. His fields are clean with the exception of the different varieties of tumbling weeds, and Mr. Bohanon says that he cannot keep these weeds down owing to the blowing in from other fields. "I am a crank on weeds," said Mr. Bohanon, "and I have that reputation among my neighbors. Grain and weeds cannot grow together successfully, and the farmer that allows weeds to grow at large on his farm will sooner or later be forced to quit, for the weeds will run him out. I do not allow weeds to grow along the roadway near my farm." And one can easily believe him, for the roadway, as well as the farm, is clean.

Before the party arrived at Mr. Bohanon's place there were a few odd fields of wheat passed south of Oyen. One in particular was that of a Mr. Cuish. This was a fair field, considering the year, and on this farm also was a good yield of potatoes. The owner of the field was not seen, but a neighbor told the party that Mr. Cuish had used the "Bohanon System."

In conversation with a neighbor some five miles from the Bohanon farm the party was told that "Bohanon had some crop, but then he got rain there at a critical time which we did not get here." If that rain fell on Bohanon's farm it must have been the only farm to get it, for across the road the crops are burnt up the same as they are in Hanna district, and all the districts which were passed through. Mr. Bohanon's sons, who are farming next to their father, do not follow the "Bohanon System," and as a consequence, they along with the others who use the plow are suffering a crop failure.

Bohanan uses the cultivator instead of the plow. He has concluded that the longer the cultivator method is used the better the land gets to conserve moisture. He says:

"As early as possible in the spring I get on the land with a stiff tooth cultivator. The first cultivation I go over the land at a depth of four inches. The second time I go down to five and a half or six inches and the third cultivation to a depth of seven inches. I never harrow the summerfallow, leaving the ridges to avoid blowing and to hold the snow in the winter. In the spring I go over with an Acme harrow to smooth down the ridges, and follow the seeder with the harrow and then the packer. We seed our fields east and west, but whether this is of any benefit I do not know. We only cultivate three times and each cultivation is in an opposite direction to the former. By this method you are sure of catching every square inch of the ground. We have not found it necessary to cultivate oftener, but would do so if it was necessary to control the weeds. Weeds are the curse of the country and if farmers would only control them it would not be long until we would all be better off. A farmer should not try to cultivate more than he can handle well. It is better to have a smaller acreage and be sure of getting a crop every year than to try and get rich all in one year and then lose the whole thing, like the majority are doing this season."

Canada Long Resisted Recent French Awards

The recent award of the Legion of Honor of France to six Canadians represents the first foreign decoration conferred upon Canadians for a number of years. The conferment of these honors is regarded as reflecting some change in governmental opinion in Canada on the question of titles.

It is known that in certain cases the French government has offered at least three times to decorate Canadians with the Legion of Honor, but has been politely informed by Canada that as Canadians were not accepting titles from the British sovereign it would be better that they should not wear decorations conferred by foreign governments. At one time a British diplomat went so far as to inform an insistent French government official that Britain and Canada would consider it a very unfriendly act on the part of France to decorate a certain Canadian citizen who was at the moment held in high regard in Paris.

The French insisted that they wanted to show their feeling towards Canada and particularly towards certain Canadians by the conferment of the highest French award. Raymond Poincare himself was determined to give the decorations. And as Canadian public opinion on the titles and honors question seemed to be less militant than it was a few years ago, Canadian statesmen said "go ahead." Hence the six recent crosses that Canadians got.

When Is an Agent Not an Agent?

Probably the most abused words in commercial phraseology are "agent" and "agency," writes A. J. Wolfe in the United States Commerce Reports. The improper use of these words is so universal and is fraught with such peril that it would be well to avoid their use entirely unless there really exists that relationship which in law is contemplated by these terms.

Even well-informed exporters, public speakers at conventions, and writers on export topics, glibly use the words "agent" and "agency" where there exists a mere sales arrangement. An agent is one who undertakes to transact some business or to manage some affair for another by the authority and on account of the latter, and to render an account of it.

The word "agent" implies that the manufacturer is trading in the country where the agent is located, and he frequently renders himself liable to foreign taxation because of the existence of this agency. He does not render himself liable to foreign taxation if he sells outright to an exclusive customer or distributor. The terms "agent" and "agency" and "attorney in fact" are practically synonymous. The vast majority of manufacturers and exporters improperly using the word "agent" with reference to their foreign connections do not think of them as attorneys.

An agent, within the scope of his authority, can bind his principal. Hardly any manufacturer would wish to be bound by the acts of his foreign connections in the manner in which a properly constituted agent can bind his principal. An agent is bound to execute the orders of his principal whenever for a valuable consideration he has undertaken to perform them. In the majority of instances of so-called "foreign agencies" there are no orders by the principal to the agent, but the manufacturer or exporter merely sells to a certain selected house abroad and is not further concerned. His "agent" is not an agent at all.

There generally exists between the American manufacturer and his foreign distributor an agreement with regard to territory, terms, prices, and sales to third parties, in which, in consideration of special efforts by the buyer, the seller will deal through this one privileged buyer. This is far from constituting a principal-and-agent relationship. An agent is responsible to his principal for neglect of duties. No such state of affairs generally exists between an American manufacturer and his foreign distributor. In a genuine agency relationship there exist certain responsibilities on the part of the principal to third parties which are not at all contemplated in the case of mere exclusive sales arrangement or distributor arrangement. The agent has certain rights to be reimbursed for advances and expenses, and his remuneration or commission is for services performed.

The use of the word "agent" is an example of carelessness in the use of an English term which has through practice almost attained the sanction of commercial usage. It has, however, caused any amount of needless litigation and should be entirely eliminated from any or all forms of sales or other agreements unless it is intended to grant those virtually unlimited powers which are implied by the word "agent" in its legal sense.

The employment of the terms "agent" and "agency" is unquestionably misleading, particularly to the inexperienced exporters. Manufacturers and exporters who have termed their sales connections in England as agents and later who were called upon to pay an income tax on the profits of the agency, have learned the danger of this word. And when in certain British possessions in the West Indies an attempt was made to tax American manufacturers on profits derived from their agencies they immediately claimed that no agency relationship existed.

A manufacturer who has an agent in a foreign country trades in that country and not with it. Some years ago a number of prominent automobile manufacturers realized the danger of the word "agent" and have adopted the term "distributor."

A UNANIMOUS VERDICT

(La Press, Montreal)

The Royal Commission appointed to inquire into our forest resources, and consequently to advise the Government as to the proposed embargo on the exportation of our pulpwood, has poor press support.

We have already said what we think of it,—pointing out that in refusing to give an opinion on the embargo question the commissioners have misunderstood the nature of their task and evaded the resultant responsibilities.

Kindly comments have been few, but criticisms and denunciations have fallen like hail.

In a general way, our confreres are unanimous in denouncing the fact that the commission in refusing to come to a conclusion has failed in its essential task, namely, that for which it was appointed.

It goes without saying that the public is disappointed and that it has not had the worth of its money. That cannot be denied.

The seventy thousand dollars spent for the benefit of the commission were devoid of appreciable benefit for the country, and at a time when everyone is calling for economy this useless expenditure provokes comments of no very friendly nature which turn against the Government itself.

A certain English-speaking contemporary makes use of it to charge the cabinet with lack of frankness toward the country, and declares that there is a nigger in the woodpile—pile of pulpwood subject to the embargo, evidently.

Another takes the opportunity to announce that in its disappointment the Government proposes to ask the commissioners to refund the thousands of dollars they received since they failed in their task. This, of course, is a joke, but it is a fair proposal to suggest that the load which the cabinet tried to unload on this commission has now definitely returned to the shoulders of the Government.

Finally, we are faced with an undeniable fiasco; such is the conclusion that must be reached from reading the articles in Canadian newspapers.

Unemployment Insurance Not Sound Legislative Proposal

(Continued from page 3)

to disrupt the smooth running of the factory. In addition, the operation of the agreement lay in the hands of men of broad vision and of sympathetic understanding. Inevitably Hart, Schaffner and Marx became dominant in the trade, and the union became strong enough to enforce its ideas of labor control and productive efficiency upon other employers. In 1919, the agreement was extended to other firms in Chicago, and the employers organized to form the Chicago Industrial Federation of Clothing Manufacturers. During the depression of 1921, Mr. Hillman and his associates brought up for arbitration the premise that the industry is responsible for the welfare of its employees in and out of season. Since that date the writer has lost touch with the developments in Chicago, but it is apparently from this standpoint of the union that the present unemployment scheme has come. A similar development took place in Cleveland, where the referees admitted the justice of the claim. Employers in Chicago who cannot comply with the scheme obviously have two alternatives; they may oppose the union, a precarious undertaking; or they may go out of business. With Hart, Schaffner and Marx in a dominant position and setting the pace in productive efficiency, and with a wealthy and powerful union able to discipline its members, and perfectly in accord with the idea of keeping costs at a minimum, it is not difficult to imagine the ultimate fate of Chicago clothing houses whose methods are out of date.

Deferred Rewards

There is no particular virtue in clothes made in Chicago, nor as yet does Chicago manufacture all the clothes worn in the United States. New York, Cleveland, Rochester, Philadelphia, and other centres contribute their quota to the demand for clothing, and the prices for garments will be set somewhere around that figure which will allow the less efficient manufacturers to stay in business. The larger margin of profit thus accruing to the efficient Chicago group can be built into reserves for unemployment wages. In other words, the unemployment wages drawn by the Chicago clothing workers are the deferred rewards for their extra efforts during the periods of their employment.

The question then arises as to whether the fundamental significance of the Chicago agreement can be maintained when its provisions are, by law, made to apply uniformly to industry as a whole. Unfortunately the conditions pertaining to the experiment in Chicago will not be found elsewhere nor in other industries. Outside of the clothing industry the American Federation of Labor is the all-powerful organization representing the worker. The A. F. of L. and the Amalgamated are as far apart as the poles in their forms of organization and in their fundamental points of view. It would be necessary first of all to break down the craft divisions which are at present the basis of American unionism. It would also be necessary to remold the opinions of our union leaders on many questions involving the relations between employer and employee and the limitation of output. This in itself presents a stupendous task calling for a long period of time to accomplish, if it could ever be brought about. On the other hand, apart from the clothing industry in Chicago and perhaps one or two other places there would be no concern sufficiently dominant in any industry (except perhaps the United States Steel Corporation) to force its contemporaries to unite with it in sympathetic co-operation with a union intent on revolutionizing the industry. The entire scheme under legislative enactment will become part and parcel of the wasteful battle being continually waged between the employer and the union. Indeed, point is added to this argument by the fact that beyond Chicago the Hart, Schaffner and Marx influence has not been dominant. Mr. Hillman and his associates, while they have been highly successful in some centres, have experienced discouraging results in others. Finally, under legal enforcement there will be lacking the wise guidance and sympathetic participation that have contributed so largely to success in the case of Chicago.

Cannot be Made Law

One is forced to the conclusion that, if it is made law, the Chicago scheme will lose its significance as an insurance plan based on productive efficiency, and will become, like other state-enforced insurance plans, an extra burden upon the public, with moral rather than industrial sanction for its support. The prices of commodities must surely rise when the expense of unemployment insurance is added to the overhead of those concerns whose managements are incapable of effecting a corresponding saving in other phases of production costs.

It is thus seen that the suggestion, when put into practice, will not for a very long time differ from other forms of state unemployment insurance in its effects upon the public pocketbook. In the long run, however, the new scheme may have very marked effects upon the organization of business. It will be noted that:

"Establishments with good financial credit are permitted to carry their own reserves for unemployment. Other establishments are required to insure in mutual insurance companies or otherwise.*

Or, in other words, the large concerns with their efficient methods will be placed in a still more dominant position, and, in the words of Mr. Commons, "the small manufacturer will disappear." The process of eliminating the inefficient could be effected even more rapidly and perhaps more equitably if the scheme provided a sliding scale of premiums based upon the liability of the employer for contributing to unemployment according to the length and frequency of his shut-downs. While we desire anything that will better present conditions, that will reduce the peaks of the business cycle, and that will reasonably persuade our industrial leaders to try to smooth out the curve of unemployment, the disruption which may be caused by such radical legislation might well prove more disastrous than waiting for slower and less revolutionary methods to prevail. It must also be realized that the effects of the proposed plan, if they should be consummated, must result in practical monopoly insofar as the production of goods is concerned. The logical outcome will be for the manufacture of commodities to fall into the hands of comparatively few large and powerful concerns. If such were to happen, one wonders whether they would all be as efficient and forebearing as they might be. or whether the public would again be the victim of exploitation In any event, monopoly, as it is at present regarded, is contrary to the public policy. Hence it is probably as well for Canada that the experiment is to be tried out in Wisconsin; there need be no hurry in imitating the example till we have profited from the experience of our neighbors. None the less, Professor Commons' paper is a distinct contribution to the subject dealt with, and most particularly so in that an economist of his recognized authority and known sympathies should so forcibly remind us that unemployment insurance, if it is to do most good to all concerned, has a distinct relation to the first economic doctrine propounded to Adam as he left the Garden of Eden, namely, that man gets what he works for.

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*—Part of Mr. Commons' reference to the Huber Bill. Financial Post, Aug. 15, page 3, col. 5.

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TO PUT MIXED FARMING ON A SOUND BASIS

Changes in Credit System Are Discussed at Regina

BANKS TO CO-OPERATE

Representatives of Bankers' Association Say Federal Credits Would Not Be Opposed.

From Our Own Correspondent.

REGINA. — The Saskatchewan Economic Board appointed at the economic conference held in Regina last spring held a two-day session in Regina this week passing resolutions dealing with the senate, branch lines, immigration, etc., but devoting most of the discussion to the possibility of putting mixed farming on a sound financial basis. At meetings of the newly organized Farmers' Union held recently in the province much time has been taken up discussing measures, which, they say, should be taken by the government of the country for securing the farmer against loss. At the meeting of the economic board the government was not asked to go this far, but a resolution was passed in favor of a survey of agricultural conditions in the province, including the standard of living of the average farmer, the numbers of hours worked by the wife and children of the farmer, how much money was invested in the farm and equipment, and the amount of money made.

The general idea behind this discussion was one that has been aired at practically all the farmers' meetings held in Western Canada for some time past; the establishment of farming on a business basis where farmers can be assured of interest on their investment, as well as wages for themselves and families.

"This is a consummation devoutly to be wished." There is only one thing wrong with this concept of farming, which is that farming is not a business that can be put on the same basis as a modern industrial plant with fixed hours of labor and fixed returns in the form of wages. The proof of this is that all large farming enterprises which have been established and may have returned large profits during periods of unusually high prices have gone into insolvency when the drop in the price of wheat and farm products occurred, while farmers keeping cows, pigs and hens, and looking after them properly have, in a great majority of cases, where they have not over-expended by going in debt heavily for machinery or land, made a good living.

Capital Ready to Invest

H. W. Givins, Regina, representing the mortgage companies, opened by outlining the mortgage, insurance and other investing agencies, which had contributed largely to the development and upbuilding of Western Canada. He explained these companies were not using their own capital but monies largely invested by private individuals in varying amounts. Curtailment of funds for investment in Western Canada had resulted from the withdrawal of certain French and Belgian firms at the outbreak of war. The large increase in taxation had also affected credits. The present exchange situation had precluded the bringing over of money from Great Britain for investment, but he was convinced there were large sums of money in the Old Country almost ready to be invested here now.

He declared the large majority of mortgage, trust and loan companies were always willing to carry farmers who were suffering from conditions over which they had no control. The companies were anxious to have their money at work so long as reasonable security was offered. He believed nine out of ten companies were already giving long-term credits.

Geo. F. Edwards, of the Saskatchewan Grain Growers' Association, declared it was essential to find some way of getting cheaper money for farmers. They could not hope to continue paying eight per cent. He claimed the competition of the federal farm loan scheme with the United States loan and mortgage companies had resulted in lower rates of interest.

Mr. Givins said one reason for the lower rates of interest in the United States was the fact that money was more plentiful there, but he was not sure if the facts were as stated by Mr. Edwards. He expressed the view that the issue of non-taxable bonds was going to create a difficult situation there before long. He declared he could not agree that the outlook in Saskatchewan was as black as some people painted it. He had faith in the West and in the farmers.

Hon. C. M. Hamilton, minister of agriculture, pointed out the debt adjustment bureau in any year since it was organized had not handled more than 5,000 cases. In other words, five per cent. of the farmers in the province had requested assistance.

A resolution by Mrs. M. B. Hanway, representing labor, and seconded by W. Stokes, North Regina, favoring investigating financial conditions throughout the Western provinces, was passed, and a committee is to be chosen. Professor Swanson, of the University of Saskatchewan, is to be chairman, and four others will be on the committee. Mr. Stokes suggested the banks furnish averages of financial dealings with the farmers.

"Averages are dangerous things," replied W. H. Thompson, Regina, representing the Canadian Banking Association. Mr. Thompson did not think that the banks would oppose the establishment of some form of federal rural credits to come between the loan and mortgage company advances, and the short term credits of the banks. In regard to a private survey, Mr. Hamilton declared that more than fifty per cent. might refuse the information asked.

Mr. Hamilton did not care to outline just what could be done at once, but told the meeting that the government was meeting the retailers at a later date as one of the big creditor class. After that the government would be in a better position; they would also like some outline of what the economic board wished.

"If we could get farm loans at 6 or 6½ per cent., there is no doubt it would be of very great assistance, but I don't think we could get the loan companies to do it," remarked Mr. Hamilton. He declared that the matter must be worked out on an individual basis and could scarcely be handled as a whole. The big question was to relieve immediate distress during the winter.

Cheaper money, cheaper production costs generally, was the solution of the farmer's troubles in the province, said Mr. Hamilton. It was estimated at the meeting that there would be distress of some sort or another in about 75 municipalities this winter. In some districts the situation was very grave; in others not quite so serious.

MANY PROBLEMS TO BE SETTLED IN EUROPE STILL

London Conference is Beginning, But Stabilization Will Take Years

NEW YORK. — The agreements reached at the London conference concerning the application of the Dawes plan to the reparation and related problems give promise of great advances in the economic rehabilitation of Europe, according to the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York.

The co-ordinated proposals of the First Committee of Experts presented to the Reparation Commission in April for effecting the industrial and fiscal adjustments necessary for the collection and transfer of reparation money or its equivalent in goods, have been approved. The early functioning of the new plan is provided for, the Survey continues.

An important feature of the settlement is the provision for an international loan of approximately $200,000,000 to Germany, probably one-half of which will be offered to American investors. But the contemplated participation in the loan does not represent the most vital interest of Americans in these new developments. The necessary readjustments of trade between the several countries directly involved in the transfer of reparation payments must affect our commerce with these and with other countries as well. Banking and credit conditions also in this country must sooner or later be influenced by the financial aspects of the economic recovery abroad which is anticipated.

It is impossible to foresee precisely the nature and the extent of these effects. Intensified competition with certain branches of American industry and growing markets for the products of other branches may be expected. And increasing foreign demand for American capital investments will probably play an important part in the vast readjustments which the effective functioning of the new machinery will involve. In some quarters the apparent menace to domestic interests, and in others the new or revived opportunity for service and for profitable employment of our resources is emphasized. Undoubtedly the ultimate net result of the reconditioning of European industry and trade, however, will be on the whole beneficial to our own.

The gratification everywhere expressed in consequence of the successful outcome of the London conference should not be permitted to obscure the problems which still remain to be solved. For the successful application of any plan of reparation payments there must be a large measure of freedom for international exchange of commodities. Important revisions of existing trade barriers may be called for. Many difficult fiscal and currency reforms must be effected before general economic stability is restored. What is really a beginning should not be mistaken for a conclusion. At best the work of restoring a normal economic order out of the existing disturbed conditions will be the work of years.

The continuing sympathetic cooperation of America with Europe will be necessary, and not only in the preservation of general peace, but in material rewards as well, will there be abiding compensation.

Still Better Conditions Reported as to Crops

MONTREAL.—Summary of the Bank of Montreal crop report issued Thursday:

Crops in prairie provinces have shown improvement in past week; cool weather and rain delaying ripening and filling heads. Present weather ideal. Wheat cutting commenced and will be general in few days. Labor plentiful.

Harvesting in Ontario progressing rapidly. Good yields are general, but apples, plums, and peaches, are below average.

Quebec crops are satisfactory.

Good potato crop in New Brunswick, but rain needed.

Conditions in Nova Scotia and Prince Edward Island satisfactory.

Cool weather and showers beneficial to British Columbia fruit.

FARMERS MOVING FROM DROUGHT TO IRRIGATED AREA

Changes Being Made by Some in Southern Alberta

From Our Own Correspondent.

LETHBRIDGE.—James Colley of this city, secretary of the Western Canada Irrigation Association, states that the recent convention was the most important in many years, as it brought together the technical experts, the farmers, and the business men, to an extent never before known. "A live public interest is being aroused in the value of irrigation on our semi-arid areas, and we feel that this new interest is going to play a big part in the success of the various projects," he said. One of the most pertinent suggestions made at the convention was one from the lieutenant-governor, Dr. Brett, who threw out the idea that some sort of a committee should be formed to establish a contact between the business interests on the one hand and the technical experts and farmers on the other, with the idea of creating industries for the disposal of the products of the irrigated farm. Canneries, sugar factories, cheese factories, feeding plants, etc., were cited as logical industries for Alberta. The suggestion of Dr. Brett will be followed up, as just such machinery for making effective the educational work of the association has been a long-felt need. The next convention will be held at Kelowna, B. C. The recent convention was well attended, quite a number of visitors being present from Montana.

There has been no general exodus of farmers from the drought areas to the irrigated areas as yet, but a number of farmers have made the change. The government of the province has announced that it will render some assistance, but details of the scheme have not been made public. In the meantime, a number of the irrigated areas are being canvassed and a check made on available farms with buildings. Farms either for rent or sale are being listed, and these will be shown intending settlers. One of the plainest pieces of advice to farmers in the very dry districts was made recently by a leader of the Mormon Church, Apostle Melvin J. Ballard, who advised those living in the very arid parts not to leave Canada, but to move as soon as possible to a district where they could get some land "under the ditch." It had been the experience of the Mormon Church, he declared, that their colonies had been the greatest success where some irrigation was available. "Diversify your products. Feed more livestock. Milk more cows, and raise more poultry, for you will never reach stable prosperity raising wheat only."

RETAIL BUSINESS RECOVERS UNDER FARM PRICE LIST

(Continued from page 1)

paid out in the form of dividends and bond interest during the month of September. The total of $28,345,644 compares with $26,681,062 for the same month last year, and with $14,006,054 during August of this year. The total for the year to date is $252,962,044, as against $243,755,543, an increase of nearly ten millions. The figures by months:

	1924	1923
January	$ 31,092,114	$ 28,890,162
February	12,545,576	11,324,060
March	25,480,553	26,780,891
April	27,853,288	26,278,451
May	45,913,693	47,871,280
June	33,828,046	33,838,312
July	33,897,076	30,924,006
August	14,006,054	11,172,319
September	28,345,644	26,681,062
	$252,962,044	$243,755,543

Immigration Figures Up

The fact is of some significance that during the four months ending July 31, 64,023 immigrants were admitted to Canada. This rate, if continued throughout the year, would yield a total greater than for any year since 1914. Of the total, however, 18,870 were Canadians returning from the United States. This does not alter the fact that 64,023 were virtually added to the population during the period, and were in a better financial position, we may safely assume, than the type of citizens for whom we are making a strong bid in European countries. The announcement that Great Britain is subsidizing those of her citizens who wish to take up their residence in Canada indicates that our immigration figures should continue to expand as they have been.

On the other side of this question is the problem of unemployment. At the present time the outlook for unemployment during the coming winter is not at all encouraging. It has been announced that the federal government is taking steps to confer with regard to this matter, and it is to be hoped that something tangible may result.

While the volume of retail business in the cities has not yet actually expanded noticeably, an improvement has been induced in the rural communities by the sale of farm products, and the generally increased purchasing power of the farmer. The prices of hogs and some classes of cattle have improved somewhat, and this tends to help business in the country. Collections are reported to be better in the rural sections of practically every part of Canada, and are reasonably satisfactory in the cities. The industrial situation is extremely quiet, but enquiries for fall and winter materials are beginning to come in in greater volume.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters percent. (1¾%) has been declared on the COMMON STOCK of Dominion Glass Company Limited, for the quarter ending the 30th day of September, 1924, payable Wednesday the 1st day of October, 1924, to shareholders of record at the close of business, Monday, the 15th day of September, 1924.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.
Montreal, 21st August, 1924.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters percent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company Limited for the quarter ending the 30th day of September, 1924, payable Wednesday the 1st day of October, 1924, to shareholders of record at the close of business, Monday, the 15th day of September, 1924.

By Order of the Board.

MERVYN OFFER,
Comptroller and Secretary.
Montreal, 21st August, 1924.

The Bank of Nova Scotia

DIVIDEND NO. 219

NOTICE is hereby given that a dividend at the rate of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending September 30, 1924, and that the same will be payable on and after Wednesday, the first day of October next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board.

J. A. McLEOD,
General Manager.
Halifax, N. S., August 19th, 1924.

THE CANADIAN BANK OF COMMERCE

Dividend No. 150

NOTICE IS HEREBY GIVEN that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1924, payable at the Bank and its Branches, on and after Tuesday, 2nd September next, to shareholders of record at the close of business on the 16th day of August, 1924.

By Order of the Board.

JOHN AIRD,
General Manager.
Toronto, 18th July, 1924.

City of Vancouver, B. C.

DEBENTURES FOR SALE

SEALED TENDERS WILL BE RECEIVED by the undersigned up to 12 o'clock noon on Monday, 8th September, 1924, for the following City of Vancouver Debentures, dated 1st July, 1924, amounting to $735,000.00.

By-law No.	Amount	Term	Purpose	Maturing
1652	$200,000.00	15 years	Streets	1st July, 1939
1655	120,000.00	15 years	Main St. Resurfacing	1st July, 1939
1653	200,000.00	40 years	Sewers	1st July, 1964
1654	150,000.00	40 years	Waterworks	1st July, 1964
1656	65,000.00	40 years	Stanley Park Fire Protection	1st July, 1964

all bearing interest at the rate of 5 per cent. per annum, payable half-yearly on the first days of January and July.

These Debentures are a direct obligation of the City at large. Provision can be made for registration of principal.

Alternative offers on the basis of interest and principal payable in Canada only, and in Canada and the United States, are asked for.

Parties tendering are required to state the net price for Vancouver payment and delivery of the securities. If desired, delivery will be made elsewhere at the purchaser's expense.

A certified cheque, payable to the City Treasurer, for $7,500.00 must accompany each tender.

The highest or any tender not necessarily accepted.

A. J. PILKINGTON,
City Comptroller.
City Hall, Vancouver, B.C.

The Dominion Bank

NOTICE is hereby given that a dividend of three per cent. upon the paid up Capital Stock of this institution has been declared for the quarter ending 30th September, 1924, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of October, 1924, to shareholders of record of the 20th September, 1924.

By order of the Board.

C. A. BOGERT,
General Manager.
Toronto, 21st August, 1924.

THE MOLSONS BANK

176th Dividend

The Shareholders of the Molsons Bank are hereby notified that a Dividend of THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the capital stock has been declared for the current quarter, and that the same will be payable at the office of the Bank in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT

to Shareholders of record on 15th September, 1924.

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at its banking house in this city on Monday, the 3rd day of NOVEMBER next, at three o'clock in the afternoon.

By the order of the Board.

EDWARD C. PRATT,
General Manager.
Montreal, 26th August, 1924.

TOWN OF GODERICH

Debentures for Sale

SEALED TENDERS addressed to the undersigned and marked "Tenders for Debentures," will be received by the Municipal Council of the Town of Goderich, up to noon on Friday, SEPTEMBER 5th, 1924, for the purchase of:

$60,000.00 5½% thirty (30) year debentures for water purification equipment and extension of intake pipe into Lake Huron.

$58,000.00 5½% thirty (30) year debentures for enlarging and improving the Collegiate Institute.

$25,000.00 5½% fifteen (15) year debentures for consolidation of debt.

The three issues are repayable in equal annual installments of combined principal and interest—interest coupons may be attached.

The three issues are a direct obligation on the Municipality at large, and as a further protection to the purchasers the three By-laws authorizing these issues have been approved and validated by order of the Ontario Railway and Municipal Board.

Tenders for the whole, or one or more blocks, will be considered.

Highest or any tender not necessarily accepted.

L. L. KNOX,
Town Treasurer,
Goderich, Ontario.

Village of Fort Erie

Ontario

TENDERS will be received up to noon, September 1st, 1924, at the office of the undersigned, Fort Erie, on Twenty Thousand ($20,000.00) instalment debentures 5½% thirty years, last payment 1955. These debentures have been approved by Long & Daly, Barristers and Solicitors, Toronto, Ontario.

The highest or any tender not necessarily accepted.

A. E. SEATON,
Clerk.

Remember the Lazy Frog!

He also thought that conditions were poor—because THINGS WERE NOT COMING HIS WAY.

The Lazy Frog lost the energy and the knack to catch flies because he took things easy when flies were plentiful.

Some manufacturers, jobbers and retailers are to-day complaining about business because they are not getting their share as easily as during the war-created boom.

Canada is the most prosperous country on the face of the globe, according to Hon. P. C. Larkin, Canada's High Commissioner to Great Britain. He speaks in terms of the material things which Canadians enjoy. The people of no other country in the world, he says—not even excepting the United States—are on the average buying the necessities and the luxuries of life to the same extent as the people of this country. Mr. Larkin should know.

Mr. Larkin's statement indicates that the people of Canada can and are buying. This bears out the idea that business to-day is closer to normal than it was during the days of inflated prices and inflated profits. It is a question of adjusting business to conditions rather than of waiting for conditions to adjust themselves to business.

The business men who have realized that conditions have changed—and conditions are always changing—and who have adjusted their methods accordingly, are not complaining about business. But those who are still trying to operate with organizations which were built up during the abnormal boom period and who are waiting for the "good times" to come back again are looking in vain for the profits they used to be able to show—profits which in many cases were merely book entries and disappeared when "paper values" were adjusted to a sound basis.

Canada looks for better business as the result of the present crop and higher prices for farm products but the big point is that the business concerns which have adjusted themselves to conditions rather than waiting for conditions to change, and have gone after trade aggressively, are not complaining about "hard times."

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Sixth Annual Pulp and Paper Number

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section PUBLICATION OFFICE: TORONTO, AUGUST 29, 1924 Special Section

ENLARGED OUTPUT FEATURES PAPER INDUSTRY'S YEAR

President Carruthers of Pulp and Paper Association Reviews Conditions

FORESTRY DANGERS

Hope Expressed That Inconclusive Embargo Report Will Be Followed By Helpful Suggestions

By GEORGE CARRUTHERS,
President, Canadian Pulp and Paper Association.

Business throughout Canada has been quiet since the beginning of the year, and very few industries have not been affected by the prevailing dulness. Owing to a variety of causes there has been a period of uncertainty and hesitancy which has not been conducive to business activity, and it is only in the last few weeks that signs have appeared to give hopes that the situation will show an improvement in the fall.

The pulp and paper industry has naturally suffered from this state of affairs, although perhaps not to the extent suffered by some of the other Canadian industries. While there have been expansions and developments, these have been chiefly in the newsprint branch of the industry, which finds it principal market in the United States, and is to a large extent influenced by conditions in that country rather than by conditions in Canada. Other grades of paper which are produced mainly for domestic consumption have been faced with difficult conditions owing to the general business situation in this country. A great deal of paper has been imported into Canada from Great Britain, Germany, and Sweden at prices which make it difficult for our mills to compete, and this competition has also been keenly felt in the overseas markets, resulting in decreased exports to those markets.

Production has Increased

There has, however, been progress in the industry, and production increased in most lines, ranging from two or three per cent. in high grade papers to over nine per cent. in the case of newsprint. The capacity of Canadian newsprint mills is now close to 5,000 tons daily, and, although development in this direction was perhaps a little too rapid in 1923, it is expected that the slack will be taken up in the near future and that the mills will soon be again operating on full schedules.

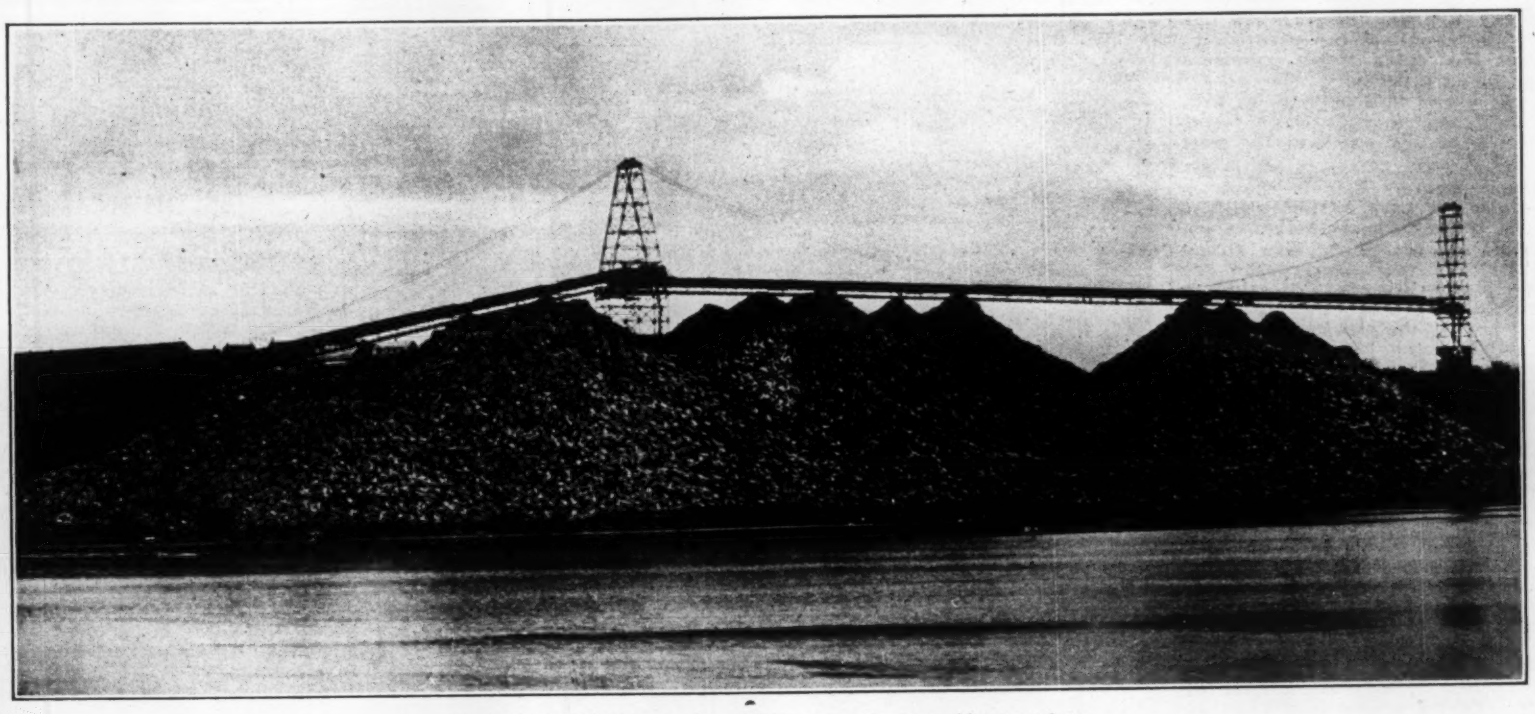
A comparison of the exports of pulp and paper from Canada with those for last year is of interest as indicating the trend of business during the first half of the year. Up to the end of June, 1924, our exports of pulp and paper reached a total value of $69,123,000, compared with a total of $67 559 000 for the corresponding months of 1923. Of this total, paper exports were valued at $49,851,000, as compared with a total of $45,405,000 for last year, and total exports of pulp were valued at $19,272,000, compared with $22,064 000 in 1923. Newsprint showed the largest gain, the exports amounting to 605,285 tons, an increase of 54,520 tons over the quantity exported in the first six months of 1923. Exports of chemical pulp were slightly greater than those for last year while those for mechanical pulp showed an appreciable decline. Shipments of book and writing paper were below the shipments for the previous year, while those for other grades of paper were a little ahead for the corresponding months. It is satisfactory to note that our exports of pulpwood were smaller than 1923 by approximately 20 per cent. or 150,000 cords.

The Exhibit at Wembley

Considerable attention has been drawn to the Canadian pulp and paper industry by the exhibit arranged by the manufacturers at the British Empire Exhibition, and much favorable comment has been aroused by the high quality of the goods there displayed. The products of our industry have been brought to the notice of visitors from all parts of the world, and it is hoped that substantial benefits to the industry and to the Dominion will result.

The long-delayed report of the Royal Commission on Pulpwood has at last been presented to the House, and, while it has not yet been printed certain of the recommendations made therein have beben announced. Whether the result obtained justifies the heavy expenditure incurred is open to question and the commission has failed to express any definite attitude upon the advisability or other-

(Continued on page 22)



The block pile with its store of wood for a season of paper making operations.

Paper Industry to Expand Still Further; Record of Works Under Way and Planned

GREAT as has been the progress in the Canadian pulp and paper industry during the past five or six years, it has not told the whole of the story of developments to be expected. At the present time there are a number of very important extensions under way in Canada, and many more planned. In order to give a bird's eye view of the work that has been carried out during the past year, that is now underway and that is planned for the near future, THE FINANCIAL POST publishes the following information about the development work and plans of Canadian pulp and paper companies.

In nearly every case the information has been obtained from original and authoritative sources.

Belgo-Canadian

Belgo completed its programme of expansion during the past year, and is now a thoroughly complete and efficient unit for the production of newsprint paper. During 1923 the company installed its fifth paper machine this having a capacity of 85 tons of newsprint per day. As a matter of fact the machine has produced considerably over that amount. There was also installed one magazine grinder unit; another digester for the sulphite plant, and three steam boilers. Early in January of this year, the sixth machine was put in operation, this machine having a capacity similar to the other, and bringing the total newsprint capacity to 270 tons per day. Another magazine grinder was added to the groundwood mill this year to provide the necessary groundwood pulp, and the finishing room facilities were enlarged to take care of the increased production.

Backus-Brooks

Work has been proceeding quietly on a $20,000,000 project near Winnipeg for the past year. The Backus interests recently gained control of a tract of 4,700 square miles of timber lands located 120 miles east of Winnipeg, in the Kenora district, and plans for erection of the largest paper mill in the world are proceeding rapidly.

The unbounded faith which E. W. Backus, the American capitalist, holds in the West is clearly demonstrated by the huge undertaking which he has launched. Development of hydro power, construction of a railway line into the timber limits and erection of pulp and paper mills are included in his plans.

One unit of the plant is already in operation and is turning out 80 tons of paper daily. Mr. Backus proposes to enlarge the capacity of the mill by an additional 100 tons daily each year until a daily production of 1,000 tons will have been reached.

The pulp and paper mills will be operated with hydro power obtained from the Winnipeg River.

Brown Corporation

The Brown Corporation at La Tuque, Quebec, is installing equipment to manufacture by-products from the waste liquor that goes to waste in most mills. In time a sulphite mill will be erected.

New Works at Thorold

The Beaver Wood Fibre Company at Thorold, makers of "Beaver Brand," have the following record of extensions during the past year:

Installation of 4,500 k.w. electric steam boiler.

Installation of hot water heater system for beater water.

Installation of complete fire protection system, including 100,000 gallon water tank, underground yard system and sprinklers throughout plant.

The following work is under way at the present time:

Installation of a complete emulsifying sizing system.

Canada Paper

The Canada Paper Company, whose plants are located at Windsor Mills, Quebec, is laying out a new mill for the manufacture of chemical pulp. George S. Hardy, the well-known paper mill architect of New York, is designing the mill, which will have a capacity of fifty tons a day, and will employ the most modern methods of manufacturing pulp.

Donnacona

Since publication of the last pulp and paper number of THE FINANCIAL POST, the Donnacona Paper Company has commenced operating a new 234-in. paper machine, and is producing between 90 and 100 tons of paper per day on this machine. This has brought the total production to between 200 and 210 tons per day.

The groundwood department has also been increased, and is at present producing approximately 175 tons of groundwood pulp per day.

Dryden Paper

Dryden Paper Company at Kenora is in financial difficulties, and during the past year accomplished no new construction work beyond putting a new roof over one of the old machine rooms.

E. B. Eddy Co.

Having solved its assessment tangle with the city of Hull, Eddy's are carrying through a gigantic plan of improvement and modernization of their properties. The newsprint capacity will be doubled, and the sulphite mill, in addition to being entirely rebuilt, will be greatly enlarged.

The company has also spent considerable money in opening up new timber limits many miles north of Maniwaki, and it is planned to float logs direct to the mills in Hull. This would result in quicker and more efficient delivery of raw material.

The principal additions to the present plant will consist of a very modern newsprint mill, having a daily capacity of over 100 tons. The building which is to contain the new newsprint machine is being so designed that a second machine of the same capacity may be added in due course if conditions warrant increased production.

The sulphite mill will be entirely renovated. Only a small proportion of the present plant can be utilized owing to the change of manufacturing methods that have taken place since the old plant was put into operation. When completed, the company will be in position to produce between 60 and 75 tons of sulphite per day. Three digesters are planned for under the present scheme of development, but so arranged that additional units may be added in due course if required.

At present the company is carrying between 1,300 and 1,400 persons on the permanent payroll at Hull: but when the present building program is completed it is likely that there will be an increase of nearly fifty per cent. in the number.

Manitoba Pulp and Paper

The Manitoba Pulp and Paper Company, which is planning the erection of a paper mill near Winnipeg, has definitely postponed its activities for an indefinite period. For some time the company, which was being promoted by J. B. McArthur, had to hold up its plans because of the difficulty of raising sufficient junior money to back the bond issue. This difficulty was solved when George Seaman, a big pulp and paper dealer of Chicago, came into the proposition, and the project is now being held up only because of conditions in the paper market.

For Salvaging Waste

A short time ago it was announced that the National Pulp Corporation, which will salvage waste paper by a de-inking process, converting the same into pulp for re-manufacture into the cheaper grades of paper, will erect a plant at Oshawa, about thirty-three miles east of Toronto. The plant will cost about $75,000, and the city will provide several acres of land and take a mortgage on the plant for the sum of $12,000. The building on the new site will be a two-story structure, and the city of Oshawa will be repaid the amount of the mortgage at the rate of $1,500 per annum, without interest.

New Mill on Megiscane

A new pulp mill will be erected in the Abitibi district on the Megiscane River, it is reported. The interests behind the enterprise are close to the Brompton Pulp and Paper Company, and the Lotbiniere Lumber Company, the holdings in both concerns being largely identical. It is understood that work will start on the new mill in the near future. A series of waterfalls in the Megiscane River district was leased a few months ago from the Department of Lands and Forests of Quebec, and timber limits were also taken over by the Brompton and Lotbiniere organizations. It is believed that the new pulp mill will be operated through the timber available on these limits. A large number of settlers in that section will find a convenient market for their timber, and so far as the shipment of the pulp is concerned, as the Canadian National Railways are only a few miles from the projected site, extension lines will be installed to meet the requirements.

Nashwaak Pulp

This mill at St. John, New Brunswick, producing sulphite pulp, has undergone extensive changes during the past two years. The former capacity of 55 tons daily of pulp has been increasd to 80 tons daily. The changes have included installation of a complete new acid system; enlargement of the bleaching plant; addition of new screens; reconditioning of drying machine, and construction of a new washer; installations of new equipment in the boiler and engine rooms. New pumps have been put in, and a new pipeline built to the St. John water supply system. This company is controlled by New York business men, who are also closely affiliated with the Oxford Paper Company, one of the largest book paper concerns in the United States.

Provincial Paper

The Provincial Paper Mills Company, Toronto, are expending about one hundred thousand dollars in improvements and extensions at the Mille Roches division of the company. A large new warehouse is being erected and a new steel and gypsum roof is being put on the beater room in which considerable new equipment has been installed.

Powell River

Works being carried out by the Powell River Company at Powell River, B. C., will add enormously to the productive capacities of the plant, and will make a splendid addition to the industrial structures of the town. A new pier and warehouse is being built, and dredging is also being carried out.

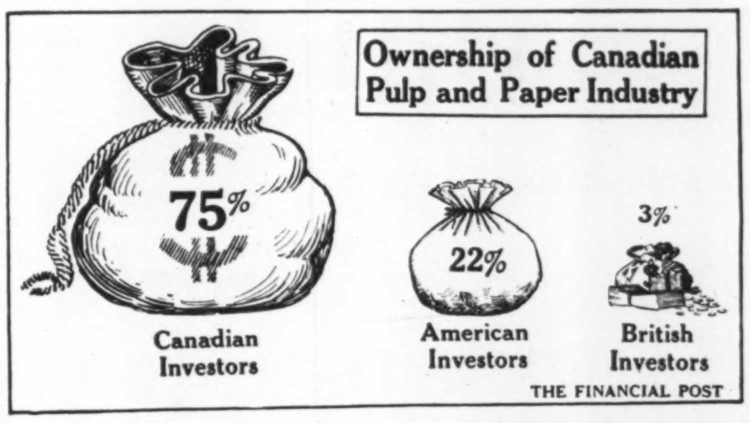
Price Brothers

Price Brothers have extended their Kenogami mill to produce 500 tons of paper a day, and they have now just about the largest newsprint mill in Canada. The necessary machinery and equipment for the manufacture of additional groundwood and sulphite pulps has also been installed.

The number seven machine at Kenogami, which is the latest machine to be installed, commenced running on the 24th of July, and is already producing a good eighty tons of paper a day.

Price Brothers and Company are now preparing the ground at Ile Maligne, P. Q., for the erection of a newsprint paper mill, with the accompanying groundwood and sulphite plants, for an initial installation of two paper machines, each capable of producing one hundred tons of paper a day. This mill will be known as the Lake St. John mill, and is planned to commence operations about the

(Continued on page 26)



At the end of 1921, there were outstanding in Canada securities to a par value of $404,768,480 of the various pulp and paper companies. Of this total $277,357,811, or 68 per cent., were held in Canada. Another $74,079,235 were held in the United States, or 18 per cent. of the total. British investments totalled $11,936,785, or less than 3 per cent., while in other countries holdings totalled $41,394,649, but this included $27,257,979 of unapportioned securities such as bearer bonds where the actual ownership is not easily determined. A very high proportion of these would be held in Canada, bringing the actual Canadian ownership to close to 75 per cent.

Of stocks outstanding to the amount of $320,898,700, Canadian holdings total $238,767,346. United Kingdom holdings, $4,796,354 and American, $56,929,400.

Of bonds outstanding to the amount of $78,599,847, Canadian holdings total $38,714,266 (in addition to bearer bonds). United Kingdom holdings, $6,876,431, and American, $16,517,135.

The outlook is that the more important future investments will continue to come from the United States where large operators in the pulp and paper field are finding their supplies of raw materials growing short and are looking to Canada as the logical location for new mills.

British financial men have watched with great interest the development of the Canadian pulp and paper industry and the growth of American capital investment therein, but during the past few years, whilst the development of this industry has been most rapid, many factors have been at work to prevent the investment of British capital.

5,000 TONS DAILY OF NEWSPRINT TO BE CAPACITY SOON

That Figure Will Be Reached by Canada This Year

SOME NEW MACHINES

Mills Are Expanding Throughout Canada and This Country Will Soon Pass the U. S. A.

DURING 1923 Canada produced 1,250,000 tons of newsprint. This year the production will be even larger than that, and in 1925 it would not be surprising if the million and a half-ton mark were reached and passed.

By the end of 1924 THE FINANCIAL POST estimates that the capacity of the newsprint mills of Canada will be 1,515,000 tons a year, or 5,055 tons a day. This represents a 50 per cent. increase in the capacity of Canadian newsprint mills in a little over four years. This allows for machines now on order and in course of construction in Canadian newsprint mills. The working out of plans at present contemplated may increase this figure very considerably.

Not as many new machines have been brought into production this year as during 1923.

In 1923 the Fort William Paper Company started up two newsprint machines of 80 tons daily capacity; the St. Lawrence Paper Mills started two machines of 60 tons capacity; Belgo started up a new machine of 85 tons capacity that produced considerably over that rated figure; the Bathurst Company put into production a new machine with 50 tons daily capacity.

During the present year the Belgo added its sixth machine of 85 tons capacity; Donnacona started up a 100 ton machine; the Backus Brooks Company at Kenora started up a 100 ton machine, and Price Brothers have installed and put into operation two machines of similar capacity. Before the end of the year, or early in 1925, additional newsprint machines will also be running, two in the St. Maurice Paper plant, to produce about 65 tons of paper each, and one in the E. B. Eddy Company plant, to produce 100 tons per day.

Our Daily Capacity Then

When these machine are running, Canada's newsprint capacity will be divided among the various mills as follows:

NEWSPRINT OUTPUT OF CANADA
At end of 1924

Name of Mill	Tons Daily	Capacity Yearly
Abitibi	500	150,000
Bathurst	60	18,000
Belgo	385	115,000
Booth	145	43,500
Brompton	120	36,000
Canada	45	13,500
Donnacona	210	63,000
Eddy	160	48,000
Fort William	160	48,000
Laurentide	375	112,500
Kenora	100	30,000
News	30	9,000
Ontario	300	90,000
Pacific	220	66,000
Powell River	225	67,500
Price Bros.	500	150,000
St. Maurice	250	75,000
Spanish River	700	210,000
St. Lawrence	160	48,000
Fort Frances	150	45,000
International	260	78,000
	5,055	1,516,000

This figure is just about equivalent to the rated capacity of American paper mills. It is larger, in fact, than the largest amount of newsprint paper ever produced in the United States in one year, which was 1,512,000 tons in 1920.

Catching Up With United States

Canada has been a little slower than expected in catching up with the United States newsprint production, but it now seems fairly definite before the end of 1925 Canada will be producing more newsprint per day than is being produced in the United States.

Can it be too often emphasized that the development of the newsprint industry in Canada is largely the result of the rapidly growing market for the products of the mills that is afforded by our proximity to the United States with its hundreds of daily newspapers and its wonderful growth of advertising? Coupled with this is the fact that the United States newsprint mills have scarcely increased their production of newsprint during recent years. There are many reasons why they cannot, chief among them being the lack of pulpwood and the lack of water powers on the scale that these are found in Canada! And so the Canadian mills win out in the race for leadership. They are forging to the front and it will not be many months before Canada's production of newsprint will equal and surpass the production of newsprint in the United States. The point has not been reached, but Canada is rapidly heading in that direction.

GERMAN TEXTILES HIT

Receivership applications in Berlin on one day include 41 German textile companies.

Only 21 Years Timber Supply Ahead of Province of Quebec

Need of Definite Forest Policy for Dominion is Uppermost—Fire Protection Plans Will Have Support of All

The province of Quebec, leader in Canadian pulp and paper development has only twenty-one years' supply of timber ahead of it.

This definitely fixes the life of established pulp and paper mills. It tells the story of an alarming situation.

Of course there is a way out, if proper forest protection is given and more scientific use be made of the timber cut from year to year. In this article one of Canada's leading forest engineers outlines the situation in Quebec in non-technical language, and from the depths of his experience gives authoritative suggestions for a sound forestry policy.

Mr. Wilson writes of Quebec because he knows that province so well, but the story he tells could be told of almost any other Canadian forest province. The article was written for this issue and embraces the most up-to-date knowledge of the subject.

IN VIEW of the widespread public interest in forest resources in Canada, and the many contradictory statements as to the amount of standing timber and the time it will last us, it would seem of value to try to obtain some definite estimate.

In order to clarify our ideas, let us briefly sketch the condition of the forests in Quebec. We have first of all the area south of the St. Lawrence River, which is pretty well settled as far as Matane. Beyond that we have the Gaspe Peninsula, almost unsettled on the northern part, and more thickly settled on the southern. We then have the narrow strip of settled territory on the north shore of the St. Lawrence and Ottawa Rivers. The rest of the province is sparsely settled, or completely unsettled.

The forests are mainly made up of spruce, balsam, hemlock, pine, tamarac and jack pine, with white and yellow birch, poplar and maple. For the purpose of our discussion, we will roughly divide the forest into the mixed types, consisting of spruce balsam and hardwoods, pure stands of jack pine, and the stands of mixed white birch and aspen which come in after a burn. We have also the areas which have been burnt over, and on which the reproduction has not yet begun, areas of swamps or muskegs and in the north the treeless areas.

The forests may be again roughly subdivided into flats and ridges; the flats generally covered with stands ranging from those which are pure coniferous to those with a small admixture of hardwood, the slopes where more hardwoods enter into the mixture and the ridges, which are almost pure hardwood.

Tremendous Losses From Fire

In 1913 the writer made a very careful study of the resources of the province of Quebec, and for this purpose divided the province into ten sections, including in the area all timber which was likely to be available by rail or water for a long time to come. Settled areas were eliminated and also the areas covered by lakes. The areas burned over were also eliminated and an estimate made of the probable figure. This is shown in the table for each section, and also in the totals. The best figures obtainable of areas burnt over during the last ten years were taken and show that a conservative estimate would be 10 per cent. of the total timbered area of the province. Allowing for salvage, the loss per acre was estimated at three cords. This gives a loss in ten years of 17,691,456 cords. A careful estimate was made from personal study, and all available information as to the loss from budworm and fungus diseases, and showed the loss to be 25 per cent. of the total stand, or 98,942,880 cords The cut of spruce, balsam, and jack pine, as taken from figures prepared by the Quebec Forest Service for the Imperial Forestry Conference in 1920. gives us for the ten-year period 16,500,000 cords, or a total consumption for the ten years of 133,134,336 cords. Subtracting this from the total figures gives us 262,637,184 cords. Taking one-tenth of the timber used up in the last ten years gives us 13,313,433 cords per year. and if this remains stationary, which it certainy will not, we have 21 years' supply of timber in the province.

Only 21 Years of Timber

It will be at once objected that I have not taken into account the annual growth possibility. First of all, there is no net annual increase in our mature standing timber; the loss from insects and diseases and overmaturity either equals or is greater than the annual growth. In cut-over areas, experiments have shown that the loss by windfall, disease, and so forth, is greater than the annual growth, and, in any case, areas cut over during the last ten-year period will not be ready for cutting before the end of the 21-year period mentioned above. The only areas on which we can rely are those which were burned at least 30 years ago, which began immediately to be restocked with spruce, balsam, or jack pine; and it is not likely that there will be a sufficient supply of timber available for our needs at the end of the 21-year period. Careful study has shown that on the average, on areas of mature timber at widely separated points in the province, the annual growth has been 11 cubic feet per acre per annum.

It is not contended that these figures are absolutely accurate, but they are at least based on the best obtainable facts, and furnish a basis of discussion; and it is hoped that these definite statements of the timber resources of the province will bring out both discussion and further information.

The above estimate and the following table were submitted to both government and private foresters who are familiar with conditions in Quebec and who have covered large areas in different parts of the province by explorations and surveys, and their opinion is that it is conservative, and, if anything, is over-optimistic.

Need Definite Forest Policy

It would seem, therefore, that it would be only wise to take immediate steps to adopt a definite forest policy which will prevent fires, lessen the damage from insects and fungi, eliminate all avoidable waste in cutting, and plan for a continuous yield for the protection of already established and basic industries.

The government through its Department of Lands and Forests has decided on a programme for fire protection, and it should have the hearty co-operation of all limit holders in working it out. Unless the government recognizes the economic limitations of the wood-using industries in carrying out improved methods of cutting, reforestation and fire prevention, on the one hand, and the wood-using industries, for their part. recognize the responsibility of the government for the preservation and proper use of the forest, and the two work hand in hand, the situation will develop into a national crisis.

Several people, who from their training and experience should know better, have made the statement that reforestation was foolish and uneconomical. This is childish, and is made without investigation, knowledge, or experience. Reforestation, both natural and artificial, has a definite and fundamental place in forest policy and management; and without it we can have no future forests. There are enormous areas where no regrowth will take place in a satisfactory or sufficient amount to produce a second crop without human aid. No man with any sense would advocate planting where Nature is bringing a good second crop but where she is not, she must be aided. Also, there are large areas where the expenditure of small sums per acre in thinning would yield large returns in larger and more productive stands. Silviculture, therefore, has an important role.

To sum up the whole situation, the forests of the country must be protected, helped to reproduce themselves, and encouraged to produce the maximum amount of timber per acre; and the sooner this is realized and means taken to put the above measures into effect in the most practical and economical way, the better off the country will be. There is no time to waste, and there will be a serious reckoning required by the public from those who are responsible for, and in a position to carry out, the necessary measures.

What is Wrong With This Picture?

The answer is "Nothing." It is a tract of fine Canadian timber. But something may be wrong with the timber at this very moment that you are reading this. It may be going up in smoke or insects may be ravaging it.

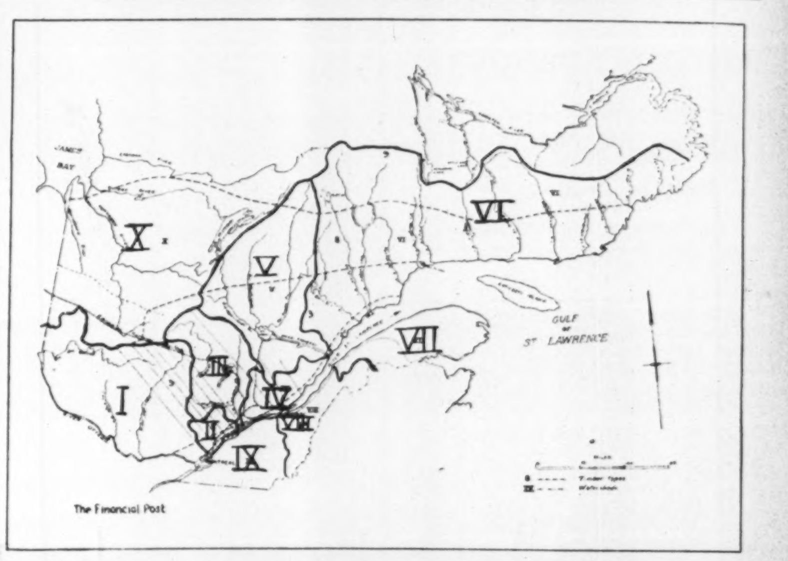
Whether or not Canada is going to get millions of dollars from this timber in wages, taxes, interest and dividends is largely up to you.

The force of public opinion will decide whether public bodies are going to authorize and put into effect proper forest policies for Canada, and public opinion is, after all, the thought and expression of hundreds of people like you who are reading this now.

CANADIAN CUSTOMS AND EXCISE

Growing more valuable with each succeeding volume is the handbook of Canadian Customs and Excise Tariffs, compiled by M. P. McGoldrick, chief clerk, His Majesty's Customs, Montreal, now in its thirty-fourth edition. This tariff contains the complete alphabetical arrangement as well as the group tariff after the style of the one officially arranged by the department of customs. The articles exempt from sales tax are given alphabetically in addition to complete information regarding the application of the sales tax to each tariff item mentioned. Practically all of the collectors of customs in Canada use this book in addition to thousands of importers. This year's issue includes all the changes of the 1924 budget, the intermediate tariff extended to Belgium and the Netherlands and retains all the features of previous publications.

Estimated Available Timber



Key to watersheds mentioned in table and article.

Section	Total Area	% Timbered	Sq. Mi. Timbered	Cds. per Acre	Total Cords
X	11,233	60	6,740	3	12,940,800
X	1,824	60	1,094	4	2,800,640
I					
II					
III					
IV					
V	63,852	67	42,780	8	219,033,600
V	17,027	50	8,513	4	21,793,280
VI	38,612	20	7,722	3	14,826,240
VI	12,188	40	4,875	4	12,480,000
VI	2,511	50	1,255	5	4,016,000
VII	13,770	80	11,016	10	70,502,400
VIII	7,930	60	4,758	8	24,360,960
IX	11,300	30	3,390	6	13,017,600
	180,247		92,143		395,771,520

10 years' loss by fire .... 17,691,456 cords
" " " " insects and fungi .... 98,942,880 "
" " " " cutting .... 16,500,000 "
133,134,336

Available in 1924 262,637,184
Equal to 21 years' supply.

Abitibi Power & Paper Co.
Limited
MONTREAL

The Largest Newsprint Mill in the World

Yearly Capacity:
150,000 TONS NEWSPRINT

Mills at
IROQUOIS FALLS
ONTARIO

WE NEED THE U.S. MARKET FOR HIGH GRADES OF PAPER

That Would Bring Prosperity to the Book Paper Makers

NEWSPRINT EXAMPLE

Makers of Newsprint Paper Began to Prosper When U.S. Market Was Opened for Free Entry

THE newsprint industry of Canada is sound and prosperous, and the score or more of companies manufacturing newsprint paper in Canada have been able to pay excellent returns to the investors who have contributed to their financial support. But the newsprint industry was not always prosperous. It is scarcely twenty years since there was only one paper mill in Canada that was making money. It is scarcely five years since the newsprint mills passed the danger point in the building up of their financial position.

The beginning of prosperity for the newsprint companies came when the American market was opened to Canadian newsprint paper. Sir William Van Horne was one of the first Canadians to see that the first essential of a prosperous paper-making industry in Canada was an equalization of the basis of competition between the Canadian mills and United States mills that used Canadian timber. Sir Lomer Gouin, premier of Quebec at that time, was soon convinced of the same thing. He established an embargo on pulpwood shipments from the crown lands of the province of Quebec. Other pulpwood-producing provinces followed suit. It was no longer possible for American paper-makers to cut pulpwood from crown lands and ship it out of this country. They had to make it up into pulp in Canada. They had to build pulp mills here. Deprived of Canadian supplies of pulpwood, American mills found their costs rising, and pretty soon the shoe began to pinch the big users of newsprint paper in the United States—the newspaper publishers. They set up an insistent lobby at Washington to have newsprint paper admitted free into the United States. Their efforts were successful, and the days of prosperity for the Canadian newsprint paper industry began. The few paper mills then in the country were able to sell their paper in the United States.

Before they had had to trust to the small Canadian market, to the Australian market, and to orders from scattered parts of the globe. But when the entire field of the United States was opened to them and they could sell their paper to American publishers in competition with the United States mills they were able to get some return upon their investment. Moreover, the larger supplies of timber in Canada, the cheaper water power developments, and the other natural advantages of this country, enabled the Canadian mills to produce paper more cheaply than the American mills. New mills were built in this country, and, as they embodied the latest and most advanced ideas in paper machinery, these mills were able to reduce their cost of production. As the years went on, Canadian newsprint mills grew more rapidly than the American, and, today, the time is not far distant when Canada will be producing more tons of newsprint paper per day than is produced in the United States. That point may be reached before the end of the present year.

True, there was a war boom that greatly increased consumption of paper, due to the advance of advertising, and the advance of circulation among the news-greedy public, but this was an impulse to all industries. It only served to hasten the day when Canadian paper mills would have built up big reserves to establish their position soundly, and on a liquid basis. It was the American market for Canadian newsprint that made a sound and prosperous industry possible.

The biggest question before the paper industry of Canada to-day is simply this: Will the experience of the newsprint mills be duplicated by the other paper mills of Canada? To-day the mills making book paper, ledger paper, writing paper, tissue paper, wrapping paper, and the numerous other grades of paper apart from newsprint, are not particularly prosperous. There are one or two strong mills, but their advance in the future must be slow. They must find larger markets in increased population in this country, and in working hard to establish foreign business. Notable expansion, such as has characterized the newsprint industry in the past few years, is out of the question.

But were these mills to get free entry for their products into the United States, how different the situation would be. We would see immediately a duplication of the advance of the newsprint prosperity. The present mills would be enabled to run their present machines at full capacity. They would be able to add new machines and build new mills. American mills would invest in Canadian subsidiaries or move outright to Canada, as many of the newsprint companies have done or have planned to do.

The pulp mills of Canada would acquire a measure of prosperity. At the moment practically every sulphite pulp mill and groundwood pulp mill in Canada is in liquidation, or is making but a small margin of profit. This is because they can only sell their products to the American mills or the British mills or to Canadian paper mills, where they are in competition with countries with depreciated exchanges and uncertain industrial conditions. They cannot meet this competition without slashing prices, and the widely fluctuating markets in pulp has taken the heart out of the producers in Canada. But if they could build paper mills to utilize their products and sell a completely finished product by sound merchandising methods, all these problems would disappear. But the only way they can do this soundly is to get the American market for the finished product—paper. At the moment, Canadian paper going to the United States is subject to 30 to 35 per cent. duty, with, of course, the single exception of newsprint paper.

This sounds very much like wishing ourselves into prosperity, but it is nothing of the kind. Canada has in its hand a powerful weapon to force the United States to grant us an open market for all the paper we produce in this country. To-day we are shipping over a million cords of pulpwood yearly to the United States mills, getting for that pulpwood anywhere from ten to twelve dollars a cord. The American mills convert this pulpwood into paper that is worth from fifty dollars and up a cord. If we were to refuse to sell pulpwood to the United States, it is altogether probable that we would be allowed to sell our paper there without paying the high tariff duties.

When Canada declined to export pulpwood from crown lands, the newsprint users—publishers of the daily newspapers—forced Congress to lift the duties on newsprint. Were we to make the measure air-tight by refusing to permit the export of any pulpwood whatsoever, the equally powerful magazine publishers would probably enact a similar arrangement regarding the higher grades of paper.

As one of the leaders in the Canadian paper industry put it the other day: "From the selfish standpoint of our own mill, we are not asking for the embargo. It would only mean more low-cost mills in Canada to compete with us, while at the present time our chief competition comes from the old-fashioned American mills that cannot touch our costs. But from the national standpoint—well, Canadians are just deaf and dumb and blind to let things be put over them by the American mills, that's all."

THIRD PAPER MILL WILL BE LOCATED IN NEWFOUNDLAND

Will Solve Unemployment Problems, Says Governor-General

ST. JOHNS, N. F.—Newfoundland sees in its paper mill industry a chance to solve the unemployment problem, according to the speech of the governor-general, Sir William Allardyce, at the proroguing of the legislature. Among the bills passed at the session was one providing for the establishment of a third paper mill in the Gander Valley in the northeast portion of the island with a capacity of 300 tons of newsprint daily. The value of paper products from the island for 1923 was over $5,000,000 with pulp an additional $365,000, and these figures are being rapidly expanded.

Between the development of the pulp and paper industry and the sale of liquor under government control, which, with improved roads, is expected to boom the tourist business, Newfoundland is looking for a great business revival during the next twelve months. The government is already negotiating for a new $400,000 steamer to replace the present Kyle, and handle the rush of business between North Sydney and Port aux Basques, and $2,000,000 is to be devoted to the building of roads and highways. The plan is to encourage tourist traveling; an appeal is being made particularly to those desiring good hunting and fishing. New rolling stock for the railway is to be provided at a cost of $350,000, while other facilities for handling the traffic by rail will be greatly improved. All these expenditures are being made on the basis of investments expected to show handsome returns from the tourist business. The government is evidently awake to the importance of this industry in the uplifting of the country. Newfoundland can provide some of the finest playgrounds in the world, and the government is out to tell about them, and see that visitors are provided with good transportation facilities and other desired accommodation.

A Variety of Industries

In other directions than pulp and paper, Newfoundland is also looking for the development for her industries, which are of greater variety than is generally appreciated. This is being shown by the exhibit at the Wembley exhibition. There, in addition to paper from Grand Falls, cod, seal, whale and herring oil, and other fish products, are displayed; iron, copper, lead and silver ore; white pine, red pine birch, juniper spruce and fir lumber products: twine made by the Colonial Cordage Company; a wide range of knitted goods by the Newfoundland Knitting Association: woollen blankets by the Riverside Woollen Mills, etc.

RUSSIAN HARVEST FAILURE

Lloyds of London says it is admitted in Moscow that Russian wheat harvest will be total failure, with results even worse than in 1920.

SELL MINING CONCESSION

Thirty-five year mining concession for zinc, silver, lead and copper at Tyutikha granted by Soviet to Vladivostock firm of Briner & Co., in which Becos Engineering Corp. of England has interest.

$2,000,000
BROWN CORPORATION
7% Cumulative Preferred Stock

Quarterly dividends payable in United States funds.
To be redeemed by Sinking Fund payments of
$100,000 per annum.

Price: At market to yield over 7%.

NEWMAN, SWEEZEY & COMPANY LIMITED
136 St. James Street - - Montreal

A
$13,000,000
INVESTMENT

BROWN CORPORATION'S properties at La Tuque, P.Q., representing a cash investment of over $13,000,000.00, comprise a pulp-making plant with a daily capacity of 220 tons of sulphate pulp, a lumber mill, and chemical works for utilization of all waste. Its developed and undeveloped water-powers are estimated at 140,000 h.p.

The corporation's timber lands comprise approximately
1,000,000 acres in fee simple,
2,000,000 acres in timber leases,
160,000 acres in stumpage.

The conservatively estimated total of 12,000,000 cords of pulp wood ensures a practically unlimited supply of raw material.

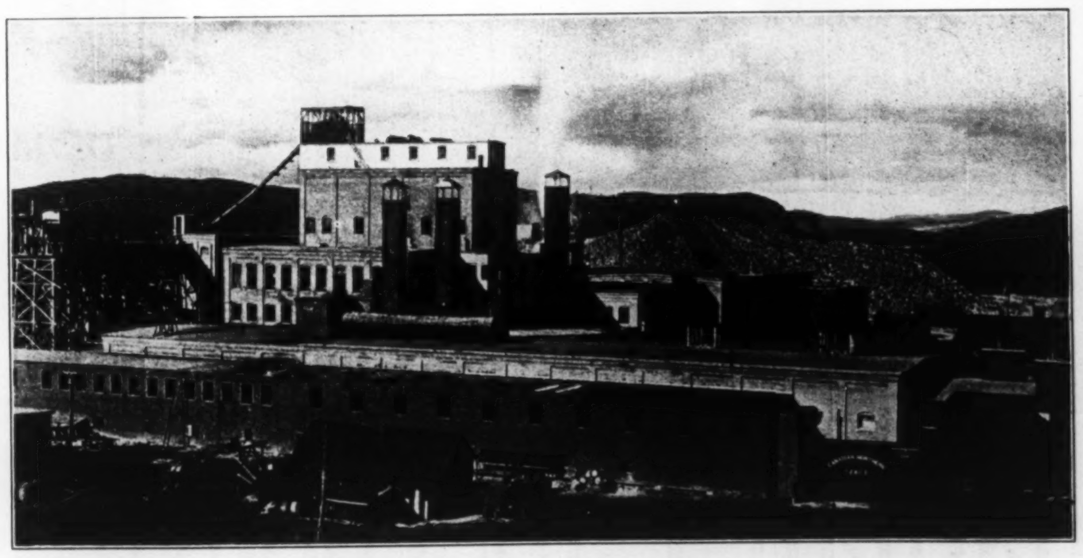
The corporation markets most of its tonnage to the parent company, Brown Company, Portland, Maine, the largest manufacturer of bleached sulphite and kraft wrapping paper in the United States.

BROWN CORPORATION
(A Canadian Corporation)

Principal Office:
71 St. Peter St.,
Quebec, P.Q.

Mills at
La Tuque, P.Q.

Affiliated with Brown Company, Portland, Maine



Mill of Brown Corporation at La Tuque, P.Q.

Saving Our Forests

BY SAVING PAPER

How the leading paperboard manufacturer in Canada is conserving Canada's forest wealth through the use of waste paper

But the paper expert knows that an evergreen forest is being saved by the Waste paper gatherers.

MOST people take more or less for granted the cardboard or paperboard containers in which so many modern articles and commodities are sold.

They fail to appreciate that this paperboard container has a romantic history which begins with the majestic standing forests, follows through the operations of lumbering, through the pulpwood plant and into the modern well-equipped paperboard factory where the finished article is made.

But more than that, they fail to realize that in the making of paperboard it is possible to use waste paper. In fact, more than 80 per cent. of the raw material required is salvaged waste paper. Thus, not only are Canada's forest resources conserved through this use of waste paper but its utilization doubles the usefulness of every original tree which was cut.

One sees further that the saving of paper sold as waste paper has a greater significance than is at first apparent. By paper saving all can help better to keep Canada's forest wealth more intact.

One sees, too, that the organized collection of waste paper has a romance to it permitting, as it does, vast areas of standing timber to be conserved for other uses. As Warren B. Bullock, an American writer, says:

"The paper expert when he sees a huge truck loaded to the second-story windows of the street's skyscrapers with huge bags and bales of waste paper, has a vision of waving forests of spruce or balsam. He hears the singing of the winds through the branches of the evergreens. He sees and hears what the average city-dweller little dreams of, that the collection of waste paper means a saving of a part of the country's remaining forest resources."

"Every Six Tons of Waste Paper Collected Saves One Acre of Spruce Pulpwood from the Axe"

Canada's Leading Producer of Paperboard

Canadian Paperboard Company, Limited, leads in paperboard production in Canada. Its three mills at Frankford and Campbellford in Ontario and at Montreal in Quebec have a yearly output of 30,000 tons of paperboard, and 3,000 tons of Groundwood Pulp.

An immense quantity of waste paper is kept on hand. The groundwood pulp in manufactured paperboard is produced at the Canadian Paperboard's own groundwood pulp mill at Frankford.

Grades of Board Manufactured Include:-

Chipboard, Newsboard, Vat Lined Board, Strawboard, Woodpulp Board, Container Board, White Patented Coated Board, and Specialties.

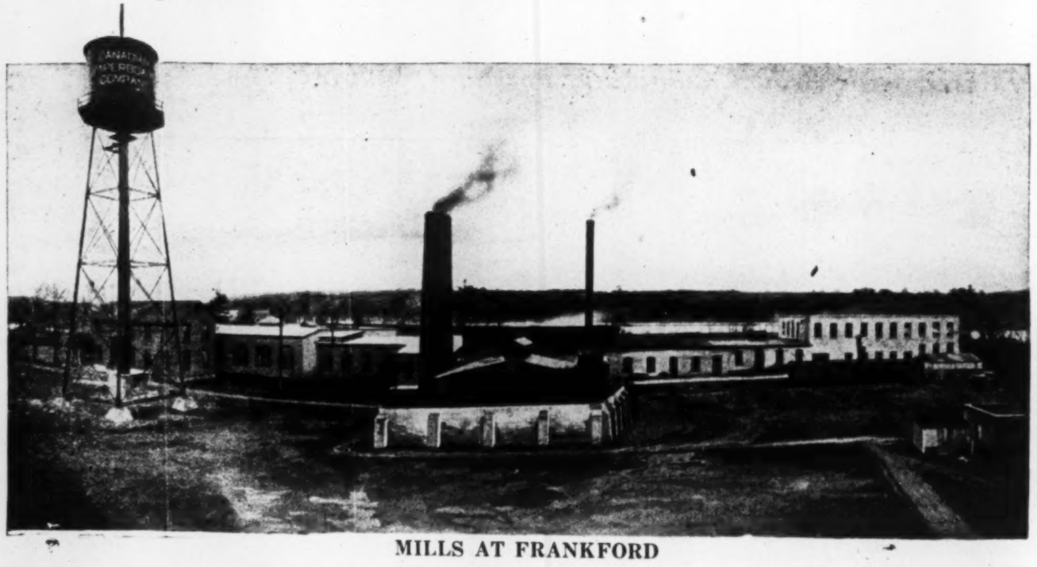
An Expanding Market

Modern merchandising methods, advertising, and public sentiment are strongly in favor of neatly packaged and sanitary containers. The making of paperboard is thus seen to be one of the key industries of commerce.

Practically every article of consumption, wearing apparel and use in every-day life is put up, shipped, or delivered, in a paperboard package.

Yet, statistics show that despite the wide use of paperboard in Canada, the per capita consumption per year is but 20 lbs. in Canada as compared with a 40 lbs. per capita consumption in the United States.

The expansion of the market in Canada for paperboard will be a logical and inevitable development. And it will be one in which Canadian Paperboard Company, Limited, will assume its full obligation of leadership in meeting the needs of that field.



MILLS AT FRANKFORD

J. G. G. Kerry
President

David F. Robertson
General Manager

Chas. E. Whitten
Secretary-Treasurer

MILLS AT CAMPBELLFORD

Canadian Paperboard Company Limited

MONTREAL

What is the Outlook Now for the Various Newsprint Stocks?

A Frank and Thorough Review of the Present Position in Newsprint With a Forecast of What May Be Expected for the Future

INVESTORS in the shares of the Canadian newsprint companies have been asking themselves of late what the prospects are for their stocks in the future. The recent cut in the selling price of newsprint provided some measure of disturbance to the minds of investors. They were inclined to feel that it was going to cut unpleasantly into the profits of the companies; that dividends might be endangered. There has been a lot of talk, too, about over-production. All of which leads suggest a study of the real situation.

The rapid growth of the newsprint manufacturing industry in Canada is one of the marvels of the present industrial era. Canada to-day is turning out twice as much newsprint paper every month as was produced in this country when the Great War ended. Fine new mills have been built and new mills continue to go up in various parts of the country. The old mills have added new machinery and equipment to enlarge their outputs in order that they, too, could get into the great race for production and profits. To-day Canadian mills have a capacity in excess of 5,000 tons a day of newsprint, and actual daily production of newsprint has averaged as much as 4,750 tons in a day in some months of the present year. At current prices of between $70 and $75 a ton this means close to $400,000 a day that the newsprint mills of Canada are adding to the wealth of the country. Over $300,000 a day represents paper that is exported, almost entirely to the United States.

Many Millions Have Been Invested

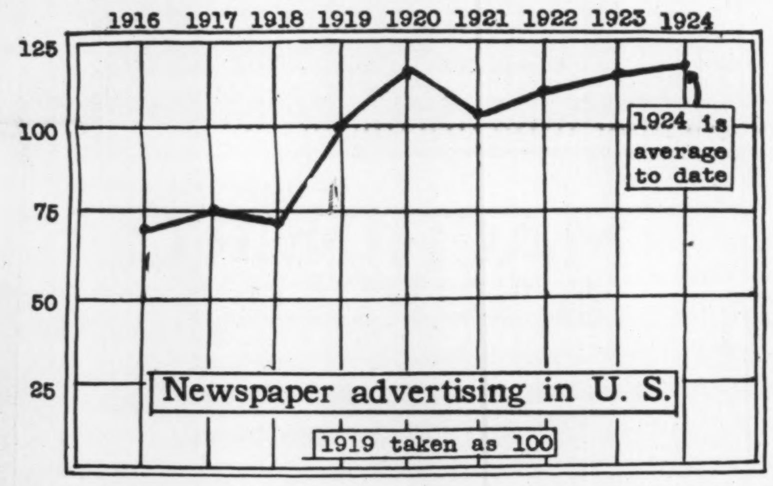
That is proof of an important and wonderful industry. To build this industry to its present position has required the investment of many millions of dollars. If we take the investment per daily ton of newsprint produced at $40,000, we have a total investment in newsprint production of $200,000,000, and the amount of money that has been put into the industry does not fall far short of this figure, and in fact may exceed it. Much of the money has come from the United States and some from Great Britain. Many millions of dollars have come from Canadian investors. The shares of Canadian newsprint companies are very widely distributed, some of the companies numbering their shareholders' lists in four figures. Thousands of Canadians have anywhere from a hundred dollars to millions of dollars invested in newsprint mills. No wonder then that the industry is the most studied and most popular of Canadian industries from the standpoint of the average investor.

Circulations and Advertising Lineage Both Great

What has brought about the growth of the newsprint industry in Canada? It has been the growing consumption of the product in Canada and the United States—chiefly in the United States. The newsprint industry began to grow in Canada when the United States lifted the tariff wall that had barred our newsprint paper from that market. It reached its greatest stage in growth when the war period and the period that followed gave great stimulus to the reading of newspapers and to advertising of all sorts, including newspaper advertising. Newspapers that printed twelve to eighteen pages a day before the war began to print thirty-two to forty-eight pages a day after the war. Sunday newspapers sprang up everywhere, printing 100 or more pages every week end. And circulations increased even more rapidly. The newspaper that sold 100,000 copies a day before the war increased its circulation to 300,000, 400,000, and even half a million or more. One chain of newspapers reached a daily circulation of millions and an enormous Sunday circulation besides. This chain of newspapers—those earned by William Randolph Hearst—are said to use an amount of newsprint paper that is equivalent to 60 per cent. of the entire Canadian production. Another paper, the Chicago Tribune, averages a consumption of paper equivalent to the production of several small Canadian mills.

Advertising Lineage Reaches New High Record

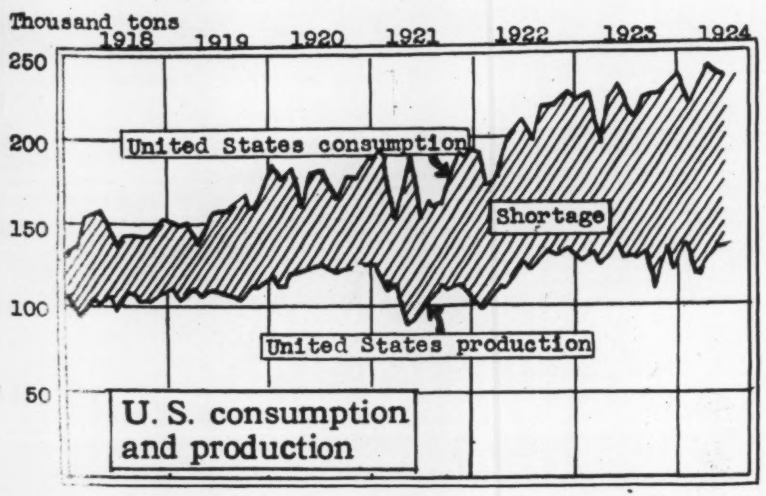
The increase in the use of advertising provided the initial stimulus. This increased use of advertising continued, and during the first months of the present year, advertising lineage in United States papers averaged greater than in any similar period in history. This is indicated in the following chart:



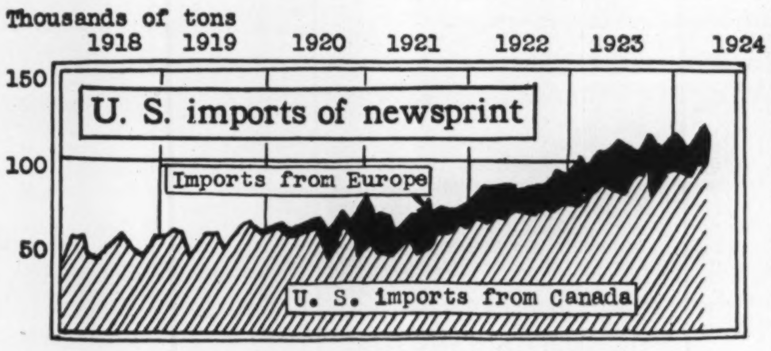
The reaction from the business peak of 1920 did not bring with it any very remarkable decline in the use of advertising. Many newsprint men themselves were badly fooled in 1921. When they saw business in many lines go to smash they prepared for a drastic decline in the use of advertising. It was popularly supposed that business firms had put millions into advertising merely to spend their profits and avoid excess profit taxes of one kind and another. But as time went on it became apparent that the advertising was appearing as a definite business force. And when the business decline came, firms found themselves with tremendous stocks of goods on hand that had to be moved. So they called in advertising and the result was that while there was some decline in advertising during 1921 and 1922, the reaction was small. . Advertising to clear overloaded shelves replaced the advertising of concerns that had to curtail their ordinary advertising schedules, and the advertising of firms that had to drop out of business.

United Had to Become Big Importer

American newsprint mills were unable to keep up with the demand for their product. Many of them had almost reached the end of their forest resources. They could not add new machines because they had not the wood to keep them going. They either had to purchase their wood from Canada or build Canadian plants near to the Canadian forests. The latter expedient was adopted in most cases. United States production of newsprint continued to advance slightly—but very slightly—while consumption continued to go ahead very rapidly. This will be seen in the next chart. The figures of consumption month by month have been prepared by THE FINANCIAL POST from various sources, and the United States production figures are also shown. The shaded area thus indicates the shortage between consumption and production. It will be seen that as the years have gone by the shortage has grown in immensity.



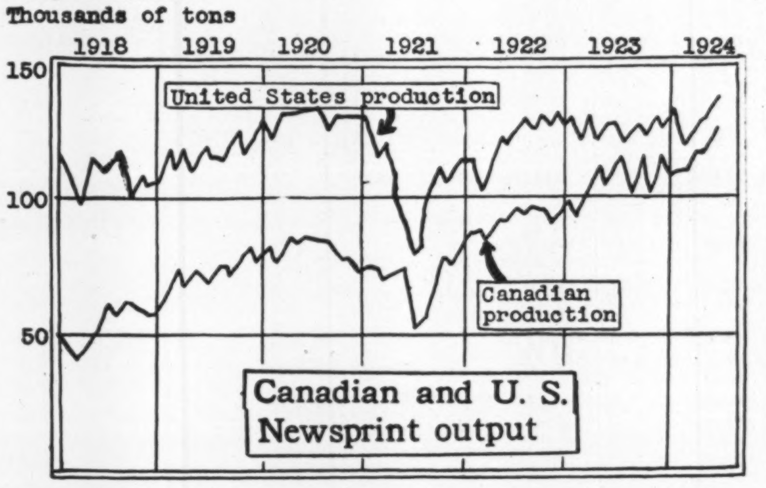
How has this shortage been met? Naturally it has had to be met by increasing imports into the United States of newsprint paper. Most of the paper imported has come from Canada. There have been some imports from Europe, and at one time there was quite a "scare" thrown into the camp of the Canadian manufacturers when United States imports of newsprint paper from Europe began to touch 15,000 to 20,000 tons a month. But in the main, the business has come from Canada. The chart immediately below indicates where the United States has gotten the newsprint paper to meet its deficit at home. It will be seen that importations from Canada during the past few years have grown very rapidly, while importations from Europe are not as important now as they were a few years ago.



Because of this ever-widening market for Canadian newsprint in the country to the south of us, and the difficulty in that country of increasing production to any considerable extent, the Canadian production of newsprint is rapidly climbing up on United States production. Had conditions not recently taken the turn that they have, demanding curtailment of production in many of the mills, Canada would undoubtedly have overtaken the United States some time this year. But at the moment, Canada is producing slightly less newsprint than the United States. The time when Canada will pass its great competitor and customer is not far distant.

Canadian Mills Now Threaten U. S. Lead

This chart shows Canada's gradual climb to a position that threatens the American lead in newsprint production. Monthly production in each country is indicated:



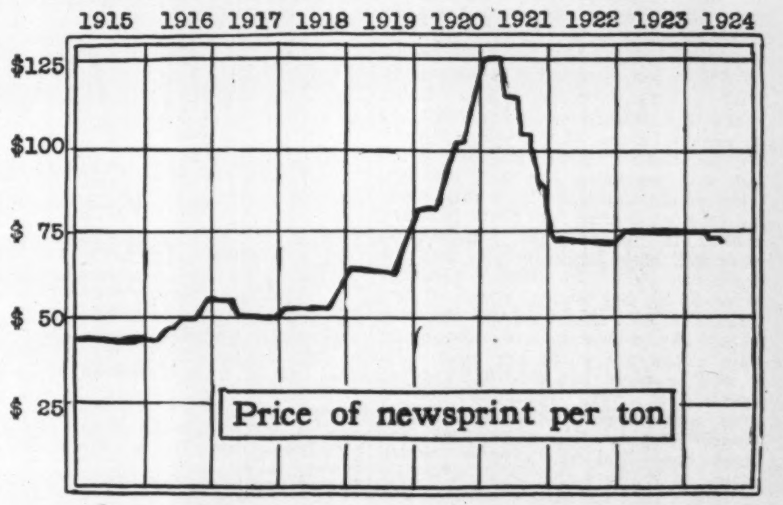
This steady improvement in the production position of Canadian mills has been distinctly beneficial to their financial position. During the war, when newsprint prices began to rise, the mills were able to build up working capital. After the war newsprint soared still further, touching the abnormal price of $125 a ton at one time. During this period still further strength was built into balance sheets and excellent reserves put away for less prosperous days, should they come. When a slump in business did come, accompanied by a certain falling off in newsprint consumption, and a drop in prices, the mills stood the shock well. Prices of their securities fell remarkably, but only to recover again in time to normal rather than to inflated figures. Newsprint prices settled down around $70 and later at $75 a ton, at which figure the Canadian mills could earn nice dividends without trouble.

Production Continued to Grow Too Rapidly

There were some featurse of the situation that were not absolutely satisfactory. New mills continued to spring up in Canada. Of course consumption of newsprint continued to go ahead, but not as rapidly as the erection of new mills. By the beginning of the present year a situation was reached where it became apparent that more newsprint would soon be produced than could be satisfactorily absorbed. The normal increase in newsprint consumption on the continent is about 6 to 8 per cent. a year. The average increase over 25 years was about 7 per cent. But production increased 24 per cent. in 1922 and another 9 per cent. in 1923. Even so, the increase was not much greater than the normal when considered over a longer term of years. It was just sufficient, however, to cause some temporary difficulties. The heads of the various mills got together and came to the conclusion that if everybody slowed down production a little bit it would not be necessary to reduce newsprint prices at all.

In fact the mills do not feel that it is fair to ask them to accept prices lower than they have been receiving. As it has been for some time past— with newsprint selling at $70 to $75 a ton—the Canadian mills have made good profits but they have made them by virtue of running at 100 per cent. capacity— in fact, some of the mills have been running far above their rated capacity. There was no provision in the selling price of newsprint for a situation where the mills would have to slow down to 90 or 80 per cent. of capacity. This necessity to run at full capacity to make money hardly exists in any other industry. So the mills naturally resisted to the utmost any reduction in the price of their product.

The effort to hold newsprint prices steady fell through when a number of the mills declined to slow down their machines, but went ahead full tilt. This created a surplus supply and prices began to fall a little. The biggest buyer of newsprint—the Hearst organization—which does not tie itself up to any great extent with long term contracts with single mills—was able to buy newsprint as low as $68 and $70 a ton although the price was fixed at $73 a ton.



Profits Have Naturally Been Reduced

The Canadian newsprint mills obviously are not making as much money now as they were making when they were running at capacity and selling their product in a waiting market at $75 a ton. Profits in the financial statements for the present full year and later are likely to show some small decline. The decline should be small, however, because the mills have been able to get their expenses down in many directions.

The investor in newsprint stocks should not become alarmed at this purely temporary situation. There need be no worry over the future of the Canadian newsprint industry. There will soon be a waiting market for all the newsprint paper that Canada can produce and, in fact, for the newsprint that will be produced in many new mills that are planned and will be erected in the course of time.

The Advantages to Industry in Canada

These important considerations must not be forgotten:

That Canada has cheaper water power and more abundant wood supplies than the United States, and that while the American newsprint industry has reached practically the limit of its advance, the Canadian newsprint industry has raw materials for greater progress.

That Canadian mills, because of their natural advantages, can produce newsprint paper more cheaply than the average American mills and in competition for business are able to win out for this reason.

That Canadian mills are more modern than the American mills. In fact many of the American mills are to all intents and purposes obsolete, and are being converted into fine paper manufactories and power plants. This all tends to relieve the over-production situation and to clear the markets for Canadian newsprint.

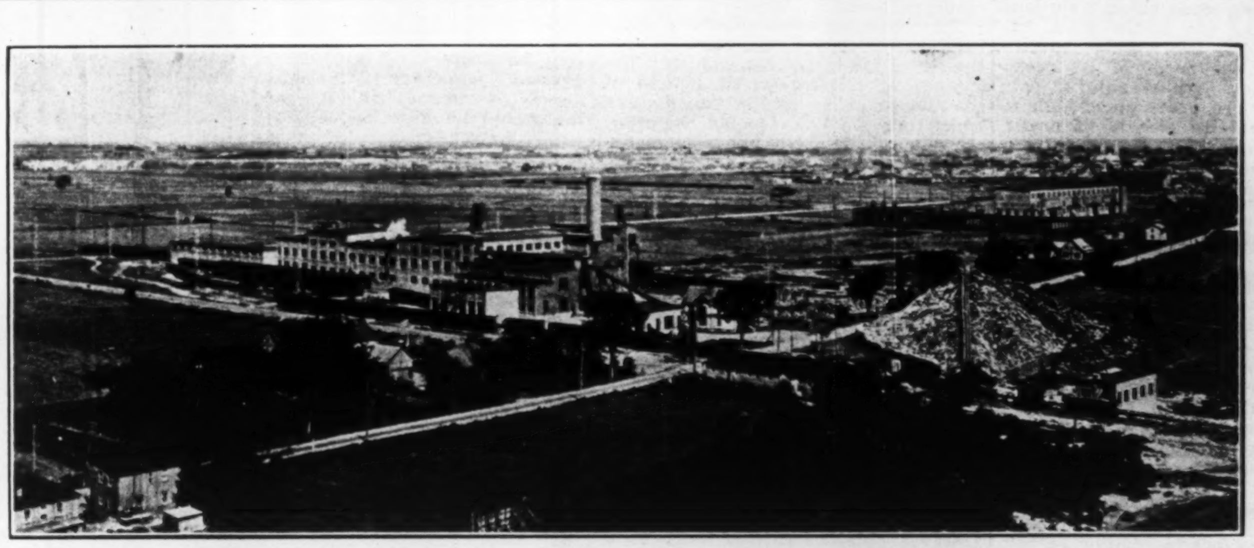
That Canadian newsprint companies are no longer the weak, struggling concerns they were before the war, but rather powerful organizations with excellent reserves and strong positions as regards working capital.

That newsprint use in Canada and the United States is steadily growing and this broader increase must be looked at in preference to a temporary slump in consumption.

All of this being true the newsprint stocks measure up to the investment standard demanded of them.

WHERE PAPER IS MARKETED

Many Canadian mills export their entire product to the United States. Often the entire production of a mill is consumed by only two or three papers. The Ontario Paper Company, for instance, supplies only two papers. In the case of other mills, the product goes all over the United States. Such a mill is the Belgo-Canadian Paper Company, which supplies several Canadian newspapers, and, in addition, makes shipments to a score of American papers as far west as Texas, and as far south as Florida.


The New and Modern Mill of the Company at Three Rivers, P.Q.

St. Lawrence Paper Mills, Limited
Manufacturers of
Newsprint Papers

Annual Production
45,000 Tons

Three Rivers, Que.
Montreal Office
1010 Canada Cement Building

St. Maurice Sales Co., Ltd.--AGENTS--Montreal and New York

Earnings of Abitibi Power and Paper Expected to be Excellent

Mill Is Now Complete, Over $12,500,000 Having Been Expended in the Past Ten Years to Increase the Output to the Present Figure

Early in the present year Abitibi Power and Paper Company was breaking all previous records in the production of newsprint, and, while its mills have a rated capacity of only 420 tons per day, more than 500 tons per day were being regularly produced. This was being marketed at $75 a ton, providing the company with a very excellent profit. Later when the slump in the market for newsprint came the machines were slowed down slightly, and the product was marketed at $73 per ton. This would undoubtedly reduce profits by some degree, but there is every reason to believe that Abitibi this year will have larger profits to show than for 1923. In 1923, earnings were $9.59 per share, which figure compared with $7.24 in the previous year. As dividends are now being paid at the rate of $4 per year only, it will be seen that the 1923 rate of earnings is a very substantial margin over and above dividend requirements. During the past year the stock has sold at a price which seems to indicate the belief of many investors that the dividend rates will shortly be raised to $6 per annum, but there has been no statement along this line from the directors, and it is doubtful if any action will be taken so long as there is any measure of uncertainty in the air as regards the newsprint situation.

Abitibi has for several years back been in the midst of an expensive construction programme. This has interfered with earnings to some degree. The 1923 earning report showed the total for expenses to the company of $26,700,000. At the end of 1919 the figure was $14,200,000. It will be seen, therefore, that in the past four years $12,500,000 of new money has been put into the plant. It is significant that this figure is $1,250 000 more than the entire present funded indebtedness to the company. These figures explain in large measure the comparatively low-working capital of the Abitibi company, and indicate one reason why the bank loan still amounted to $1,000,000 at the end of 1923.

The newsprint mill of the Abitibi Power and Paper Company at Iroquois Falls, Ontario, is the largest individual newsprint mill in Canada The mill is rated as very efficient and is close to its sources of supply of raw materials. As a result, Abitibi produces newsprint at low cost. The company's supply of pulp wood is obtained on very favorable terms, and, in addition to cutting wood from its own limits, it purchases a great many cords yearly from settlers. The company has water power rights from the Ontario provincial government on most favorable terms. The company has established a town site that has attracted an excellent class of skilled and unskilled laborers to the mill.

The company sends out a train-load of paper every day in the week, except Sunday. It has a pulp capacity in excess of the needs of its newsprint mill, but surplus pulp is only sold when prices are high enough to offer an attractive margin of profit

Abitibi is one of the most popular and widely distributed of the newsprint securities. In considering the market price of the stock, it must be remembered that a few years ago the stock was split on a five-to-one basis which makes the present value of the original stock very high. But after all, the real measure of value in the security is the measure of earning power, and Abitibi's earning power as demonstrated in the past few years, is remarkably high.

PRODUCTION AND FINANCES

Pulpwood Supply. — Controls under lease 1,000,000 acres of pulpwood lands estimated to contain 5,000,000 cords of pulpwood.

Mills are situated at Iroquois Falls, Ontario, and are equipped with eight newsprint machines in addition to pulp making machinery.

Production.—Capacity totals 510 tons of groundwood pulp; 140 tons of sulphite pulp; 500 tons of newsprint and 30 tons of wrapping paper.

Capitalization—	Authorized	Outst'd'g
Common	*250,000	250,000
7% cum. pref. ..	$1,000,000	$1,000,000

* Shares.

On May 1, 1920, the old $100 par value shares were exchanged for five new shares of no par value.

Funded Debt—

1st mtge. bonds 6% due 1924-34	$3,231,500
Gen. mtge. bonds 6% due 1940	3,880,000
Con. mtge. bonds 8% due 1931	4,183,400

Dividend Record—

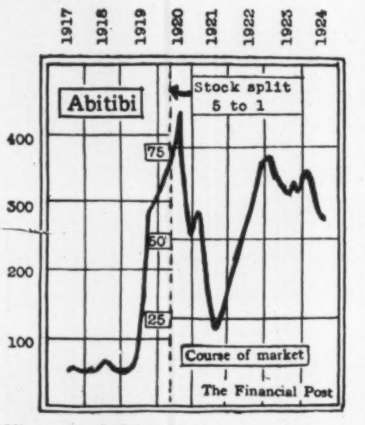
Initial quarterly dividend of 1¾ per cent. on pref. paid Jan., 1917; regular quarterly payments since. All accrued dividends aggregating 19¼% paid in full Oct., 1919.

On common initial dividend of 1½ per cent. paid on stock of $100 par value, Oct., 1919; Jan., 1920, 4½ per cent.; April, 1920, 7½ per cent. On July, 1920 initial dividend on no par value of $1.50 was paid; Oct., 1920, and Jan., 1921, $1.50 per share each; April, 1921, $1 per share, none thereafter until Oct., 1922, when $1 was paid; 1923, $4.

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Receipts	$ 5,650,264	$ 6,029,354	$10,580,143	$ 8,861,810	$ 9,461,299	$11,047,667
Expenses	4,006.611	3,903,636	5,537,010	4,183,637	5,846,462	6,768,088
Net earn.	$ 1,643,653	$ 2,125,718	$ 5,043,133	$ 4,678,173	$ 3,614,837	$ 4,279,579
Interest	443,941	454,320	501,947	849,743	929,123	882,624
Deprec. etc.	688,509	527,704	793,018	989,763	803,391	930,186
Taxes	....	79,463	64,576	482,000	53,177	....
Pref. divids.	70,000	262,500	70,000	70,000	70,000	70,000
Com. divids.	....	300,000	1,500,000	250,000	500,000	1,000,000
Res. for deprec..	....	....	....	2,177,144	....	....
Surplus	$ 441,202	$ 501,730	$2,113,591	*$ 140,479	$ 1,259,146	$ 1,396,769
Prev. surplus ..	632,047	1,073,249	1,574,979	3,688,570	3,548,092	4,807,238
	$ 1,073,249	$ 1,574,979	$ 3,688,570	$ 3,548,091	$ 4,807,238	$ 6,204,007
Earned on com. ..	8.82%	†19.88%	14.45%	11.03%	7.04%	9.6%

*Deficit.



Officers and Directors—

Alexander Smith, vice-president; L. R. Wilson, secretary; W. H. Smith, treasurer; R. A. McInnis, mill manager; T. Broadhurst, comptroller; George H. Kilmer, K.C.; W. K. George, Geo. E. Challes, Victor E. Mitchell, K.C., D.C.L.; Sir Thos. Tait, W. A. Black, A. J. Brown, K.C.

Market Record—

	Common		Preferred	
Year	High	Low	High	Low
1916	82	65	91	89
1917	58½	48	90	88½
1918	57½	48	90	90
1919	292½	48	110	90
1920	*340	248	97½	85
1920	†87	46½	..	..
1921	58	22	89	83
1922	71	30	100	83¼
1923	74	56½	100¼	90¼
1924 to				

*—$100 par 1920.

†—Changed to no par value May, 1920.

CONTINENTAL WOOD PRODUCTS GROWING

Company Will Shortly Get Kraft Mill Under Construction in Northern Ontario

The group of Continental paper companies has gone through the mill of financial reorganization during the past year, and the result is a clearer line-up of the relative position of the various companies. Canada has a distinct interest in this organization.

The parent company, the Continental Paper and Bag Mills Corporation, is the largest manufacturer in the United States of wrapping and bag paper. While 59 per cent. of its stock is owned by the International Paper Corporation, it is organized as a separate corporation and operates as such.

An issue of $6,000,000 of first mortgage bonds was sold during the past year by Continental Paper and Bag Mills Corporation. Some of the bonds were sold in Canada. The money was required to purchase from the International Paper Company a mill at Rumford, Maine, and for other purposes.

This company owns all of the share capital of the Continental Paper Products, Limited. This company has a plant at Ottawa which is one of the largest of its kind in Canada, and which manufactures paper bags and paper products. No paper is manufactured, for the mill has as its business the conversion of paper into bags, sacks and envelopes. A goodly proportion of the company's securities is in the hands of Canadian investors, $750,000 of bonds having been sold by a Canadian house during the past year.

Continental Paper Products controls in turn the Continental Wood Products Company, which has extensive timber holdings in Ontario. At the present time the company is engaged chiefly in the manufacture of lumber and in the production of pulpwood, which is shipped to the American mills of the Continental Paper and Bag Mills.

Continental Wood Products has, however, obtained further limits from the Ontario government, and will proceed at once to erect a kraft pulp mill with a daily production of 100 tons.

Thus this group of companies, so closely affiliated with the International Paper Company, is following the International in extending its Canadian interests very extensively.

U.S.A. World's Biggest Consumer of Paper

How serious is the problem of supplying the growing demand in the United States for pulp wood, the basis of the manufacture of paper, is set forth in a comprehensive bulletin of the Department of Agriculture. Consumption of paper for all purposes in 1922 was 8,000.000 tons—more than was used by all the other countries in the world. Newsprint paper is made of wood pulp. Of the total paper consumption in 1922 newsprint called for 2,450,000 tons, or 31 per cent. of the total requirements Writing paper of the finer kinds was used to the amount of 350,000 tons. Wrapping paper passed the million-ton mark. Papers "classified under boards" were 27 per cent. of the total. To account for the remainder, blotting, hanging, fibre, carbon, tissue, crepe, wax, Manila, imitation parchment, leatherette, carpet-felting, tar and building papers, were only a few of the miscellaneous kinds in daily use. In 1919 wood supplied more than 90 per cent. of the raw material for the paper made in the United States. Rags, manila stock and straw entered into the manufacture of the other 10 per cent.

LITTLE PROGRESS ON CLYDE AND SISSIBOO

Lloyd Ltd. Are Operating Mills and Have Guaranteed Bond Interest

Clyde and Sissiboo mills are making good progress at the hands of Edward Lloyd Ltd., of London, Eng., following the failure of Beckers. The Lloyd company have paid the bond interest and are working the plants at capacity and are effecting a satisfactory sale of the products. Since taking control, which Lloyds secured through transfer of common stock, a number of economies have been effected in operations which are sure to advance the profits.

In the meantime speculation is still rife as to the future of the company. The talk that Canadian and U. S. interests might secure control has not been going the rounds for some time, but this, by no means, indicates that the movement is dead.

There are two plants, the Clyde with a daily capacity of 36 tons, and the Sisiboo, 80 tons. The whole output is shipped to English paper mills. The company was financed by $750,000 common stock and $500,000, 6½ per cent. first mortgage bonds. The latter were guaranteed by Becker & Co. and the mills output sold under a 20-year contract. Lloyd Ltd., have now guaranteed the bond interest.

	Authorized	Issued
Capitalization ...	$750,000	$750,000
Funded debt bonds, 6½% .	1,000,000	500,000

Acquired assets of Clyde Pulp Co. and Sissiboo Pulp and Power.

Operates two ground wood pulp mills of 13,000 tons capacity and 24,361 acres of freehold and 44,936 acres of leasehold lands with right to cut pulpwood over 10,165 acres additional. Has two waterpowers.

German Paper Trade Feels Lack of Capital

A tendency to curtail German paper production has been observable since the first of the year. Paper mills at Hamburg have cut down the number of operatives one-third. In Hanover also many workmen have been discharged; and at Gronau and Groningen the mills have closed temporarily. Exports have decreased to a minimum. Transportation conditions have been satisfactory, except to and from the occupied territory. The lack of working capital has been keenly felt. Credits of from one to three months are usual, and from three to six months not exceptional. There is a great scarcity of cash, and it happens frequently that sight drafts from one to three months are not honored Many firms are forced into bankruptcy on account of the present monetary situation. The supply of raw materials has been adequate in the fine paper trade and prices have been reasonable notwithstanding the increased cost of rags Towards the end of the first quarter of 1924 domestic business revived but this has been an unsatisfactory boom owing to the present monetary stringency.

Foreign orders for wall paper have been regular, though they are not as voluminous as they were during the period of inflation. Manufacturers try to keep down prices in order to compete in foreign markets, but to do this profits had to be cut and the cost of production reduced to a minimum. There has been very little change in the prices of paper for business books and of cardboard. The offer of book materials exceeds the demand. In paper specialties, such as sacks, labels, etc., the demand was very light during the first two months of 1924. Export business has been very slow, as German prices were very much above the world market level. There was a larger demand within Germany, which permitted the mills for a while to take on more workmen. Owing to the new custom taxes in the Ruhr district, however, various articles such as labels were no longer salable on account of the high price.

ENLARGED OUTPUT FEATURES PAPER INDUSTRY'S YEAR

(Continued from page 17)

wise of declaring an embargo on the export of pulpwood, thus leaving that matter exactly where it was before, in the hands of the government. The report, however, points out once more the danger of the present rapid depletion of our forests, and the insufficient and inadequate means now being utilized to guard against the destruction of our timber resources Canada is still dissipating her forest resources perhaps more than any other nation in the world, and definite, radical and constructive measures are of transcending importance if the Dominion is to protect and further develop her forest industries. To those who have studied the question in the light of the large amount of information available upon this subject this is simply a reiteration of facts already well known, and a matter of grave concern to all who are interested in the future economic welfare of the country. It is hoped that the printed report will reveal definite constructive recommendations on the conservation of our forest resources, and that prompt and energetic measures will be taken by the authorities concerned to put such recommendations into practical effect.

St. Regis
Paper Company
of Canada, Limited

F. L. Carlisle,
President

A. P. McKinnon,
General Manager

Montreal, P.Q.

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The Canadian
FAIRBANKS-
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Company Limited

ST JOHN QUEBEC MONTREAL
OTTAWA TORONTO WINDSOR
WINNIPEG REGINA CALGARY
VANCOUVER VICTORIA

Timber Holdings of Brompton Company Have Been Increased

No Word as Yet in Regard to Dividend Payments on Company's Common Stock—Arrears on Preferred Have Been All Cleaned Up

During the past there was a development of great interest in connection with Brompton Pulp and Paper Company, when a subsidiary organization was formed to purchase a tract of exceedingly valuable timber limits in Quebec and Maine. These limits are in locations tributary to the mills of the company, and have added considerably to the life of the raw material resources of Brompton. The entire capital stock of this subsidiary company is held by Brompton, and the purchase of the limits was financed without weakening the cash position of Brompton, for an issue of $850,000 of bonds of the subsidiary companies was sold on advantageous terms. The 1923 annual statement of Brompton must be considered as encouraging, for it showed that after payment of preferred stock dividends more than $7 per share was earned on the common stock. This compared with about $5 per share in the previous year, and enabled the company to augment its working capital position very considerably.

Naturally, the excellent earnings statement led to considerable discussion of the possibility of the resumption of dividend payments on the stock. Early in the year it seemed likely that the directors would consider such action favorably, but evidently their policy was to conserve the company's liquid assets as much as possible, for no dividend has been declared. As a result the stock has sold off, and is now selling at about the point it stood at two or three years ago. Preferred stock dividends have been entirely cleared up, and are now being regularly paid, and there is nothing in the way of payment of common stock dividends except whatever views the directors may have on the necessity of retaining a strong cash position.

Brompton is a company of very diversified output, and this has, on the whole, tended to be a strong influence for good. The company is in a happy position of controlling the manufacture of its products from start to finish. The mills manufacturing bond and kraft papers are located in the United States, and can sell their products in the United States without payment of the duty that strictly Canadian kraft and bond paper must meet. These American mills are supplied with pulp from the Canadian mills as pulp into the United States duty free.

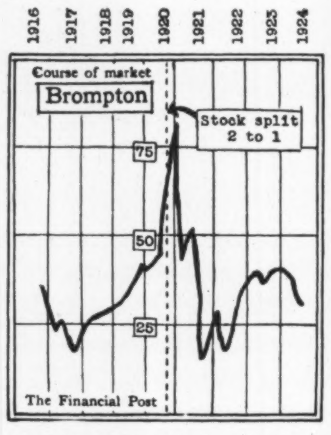
This diversity of products is often suggested as a factor of strength for Brompton, although pulp and paper engineers are inclined to feel that no permanent advantage accrues from such a wide number list of classes of pulp and paper.

The company's timber limits are large and excellently located. Two of the mills are in Canada and two in the United States, the American subsidiaries having been acquired at a low figure.

PRODUCTION AND FINANCES

Properties.—Mills are operated at East Angus, P.Q., Brompton, P.Q., Claremont, N.H., and Groveton, N.H.

Timber Supply.—Company owns 179,392 acres of freehold timber limits and leases 810,472 acres. It controls additional timber through a subsidiary. In addition 100,000 cords of wood is purchased yearly.



Production totals 220 tons of groundwood pulp; 110 tons of sulphate; 120 tons of newsprint; 30 tons of wrapping and 60 tons of board daily.

Capitalization—	Par	Outstanding
7% pref. Claremont. Co.	$100	$ 250,000
8% cum. pref.	100	2,000,000
Common	None	*140,000

* Shares.

In 1920 each $100 par value share was exchanged for two shares of no par value.

Funded Debt—	
1st mtge. 6% bonds due 1927	$ 104,000
1st cons'l mtge. 6% due 1935	811,000
Gen. mtge. 6% bonds due 1939	938,200
Gen. mtge. 8% bonds due 1941	1,750,000
Groveton Paper 1st mtge. 6's 1935	1,250,000
Groveton notes	300,000

Dividend Record—

Preferred paid regularly to Nov., 1921; more thereafter until June, 1923, when 4 per cent. was declared on account of accumulated dividends.

On common initial dividend of 1 per cent., together with extra dividend of ¼ per cent., paid Feb., 1917; May, 1817, 1 per cent. and ¼ per cent. extra. Aug., 1917, 1¼ per cent., which quarterly rate was paid to and including Nov., 1919; Feb., May and Aug., 1920, 1½ per cent. each; Nov., 1920, and Feb., 1921, $1.75 per share; May, 1921, $1 per share; none since.

Directors and Officers—

F. N. McCrea, M.P., pres.; H. W. Beauclerk, vice-pres.; W. N. Munroe, treas.; J. A. Bothwell, gen. mgr.; G. W. Hicks, sec'y; J. T. Greenshields, K.C., E. W. Tobin, M.P., E. Languedec, K.C., C. C. Wilson, H. E. Munroe, T. McAvity Stewart, C. G. Greenshields, K.C., Dr. L. Milton Hersey, James E. McRae.

Market Record—

	Common	
Year	High	Low
1916	79	43
1917	58¼	38
1918	63¼	41¾
1919	87	55
1920	*170	42¼
1921	57¼	13½
1922	40	15
1923	44	33⅞
1924 to		

* Year of stock "split."

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Net earnings ...	$ 1,051,275	$ 1,098,338	$ 1,853,589	$ 1,097,784	$ 1,607,213	$ 1,802,164
Depreciation ..	186,880	188,500	235,123	244,000	266,589	326,418
	$ 864,395	$ 909,838	$ 1,618,466	$ 853,784	$ 1,240,624	$ 1,475,746
Bond interest ..	87,120	82,455	137,580	200,774	362,784	303,134
Pref. dividends ..	140,000	140,000	140,000	155,000	*17,500	177,500
Arrears on pref..	....	....	....	....	....	160,000
Com. dividends .	350,000	350,000	665,000	385,000	....	....
Less on inventory	......	....	....	944,964	....	....
Surplus	$ 287,275	$ 337,383	$ 675,886	†$ 831,954	$ 860,340	$ 835,112
% earned on com.	**8.82	**9.53	9.44	...	5.13	7%

*On Claremont preferred.
†Deficit.
**Par value $100.

Belgo-Canadian Paper Co. is Enjoying an Excellent Year

Now a Well Balanced Company With Output Well Attuned to Its Resources—One of the Oldest of Our Paper Mills

The Belgo-Canadian Paper Company is now operating a well-balanced mill, for its fifth and sixth paper machines are now in operation. These bring the output up to the desirable limit, based on natural resources and power supply. Profits are meeting the most favorable expectations of those who refinanced the company a year ago, according to preliminary reports. There is not likely to be an annual statement issued until early in 1925, for it has been decided to carry the fiscal year along to the end of the calendar year and at that time to bring out a report based on eighteen months' earnings.

The mills are regarded by paper experts as quite efficient, and are particularly well regarded in that they are well balanced. That is to say that the chief end in view is always the production of newsprint paper rather than the production of pulp as well as paper for sale. The aim is to provide only enough groundwood pulp and sulphite to keep the newsprint mill running on a proper basis. It has been the experience that newsprint markets are not subject to the same wide fluctuations that are noticed in the pulp markets and the well-balanced mill, such as Belgo, will not have the same ups and downs in its earnings.

Perhaps the most important elements that make for success or otherwise in a newsprint company are timber supply, power supply, efficiency of plant and management. Belgo, it may be said, shows up very favorably in an analysis of these factors.

With all these elements of success inherent in its organization, Belgo has been able to achieve a reputation as a low-cost producer. Comparative figures with other companies are hard to obtain because most mills keep such figures highly confidential, but information that is available indicates that Belgo produces newsprint at a lower price than the average mill, and, of course, sells at the same price as the others, because newsprint is marketed upon a basis where all mills get the same price per ton for their output.

CAPITALIZATION

	Par	Outstanding
7% cum. pref.	$100	$4,000,000
Common	100	8,500,000

Bonded Indebtedness

1st mtge. bonds, 6% due 1943 $8,000,000

Pulpwood Supply—Company owns 15,000 acres of freehold timber limits and controls 1,800 square miles of leasehold limits containing 6,000,000 cords of pulpwood.

Production—245 tons of groundwood, 90 tons of sulphite pulp and 345 tons of newsprint daily.

Directors—Hubert Biermans, president and general manager; Sir Herbert Holt, vice-president; John Stadler, chief engineer and manager; Francois Faure, manager of wood department; John W. Ross, Edmond Tashereau, J. H. Gundy, H. Newman, R. O. Sweezey, A. deHauffe, secretary-treasurer; Chas. Lebrun, asst. secretary-treasurer.

International's Timber Holdings Are Large Here

With timber lands gradually being depleted in the United States, International Paper Co. is found to be in an enviable position in regard to potential supply of its main raw material. Holdings of woodlands in the United States total over 1,300,000 acres, while in Canada it either owns or has leased crown land limits aggregating over 3,200,000 acres.

The conservative figure at which these enormous pulpwood reserves are carried is shown by International Paper's consolidated balance sheet at the end of 1922. "Woodlands held directly and through subsidiary companies for benefit of International Paper Co." are valued at $7,829,635. This is equivalent to $1.73 an acre for the 4,514.191 acres of timber limits or lands held in fee in the United States and Canada.

While it is impossible to place an accurate and up-to-date value on these pulpwood reserves, some idea of the true worth may be presented. About 80 per cent. is spruce, the best wood for making newsprint. An acre contains an average of about six cords. A price of $2 a cord would be very conservative. Hence it is seen that International Paper has pulpwood resources worth many times the value at which they are carried on the books.

Of the 3.200 375 acres held in Canada, only 325.195 are held in fee. The remaining 2,875,180 acres are crown land limits.

METAGAMI MILL ON RECORD BASIS

Profits Quite Low in Unbleached Pulp Market—New Lines Are Needed

Mattagami Pulp has been producing unbleached pulp on a record basis of late, the management having got the mill running between 4,500 and 5,000 tons monthly. This is a material increase since May, when the output was around 4,000 tons. A ready market is available for the product of the company, but competition is keen and the price, as a result, is such that the profit is reduced to a minimum.

This about measures up the true position of the company. It cannot be said that the receiver is making real progress. In reality it might well be said that the company's valuable timber rights are being dissipated, so close is the margin of profit as compared with the profits that would accrue to the company were new finances secured to instal a bleaching plant and later a newsprint mill. Mattagami would look to have an opportunity in this regard as at present its product stands high with the market.

Capitalization—	Authorized	Issued
Common	$5,000,000	$2,000,000
Pref. 7% cum.	2,000,000	1,500,000
Debenture 7%.	3,000,000	3,000,000
Mort. deb. 7%.	2,000,000	935,000
Funded debt, gold bonds..	2,000,000	1,785,000

Timber Resources.— Owns 125 square miles timber and pulpwood lands and mineral rights and leases 840 sq. miles. Has sulphite pulp mill at Smooth Rock Falls with capacity of 45,000 tons. Has lease on three water powers.

Officers. — Duncan Chisholm, pres.; S. R. Armstrong, vice-pres.

WESTERN QUEBEC PAPER MILL READY

Will Manufacture Light-weight and Tissue Papers, Now Largely Imported

The mill of the Western Quebec Paper Mills is practically complete, and will be in operation around September 1. This new mill is located at St. Andrews, Que., and will be the first mill in Canada devoted exclusively to the manufacture of light weight papers, including tissues. The mill will have an annual capacity of 1,800 tons, and has been built up to the most modern requirements. All of the papers which the company proposes to manufacture are to-day imported, despite the duty of 25 per cent. paid. Thus the new mill will have to complete the chain of paper mills in Canada that is making Canada self-supporting in its paper supply.

The management of the company is in capable hands. Its directors, executive and operating staff are composed of men who have had many years' experience in the paper industry both from the manufacturing and sales standpoint, in power and engineering and in allied fields.

The histories of paper companies, and more particularly those of the smaller mills are bright. A factor that contributes appreciably to their success is the ease with which these mills can be adapted to one or another of the various grades of paper that are at various times in greatest demand. This adaptability permits them to take advantage of market conditions and secure peak prices wherever and whenever possible.

The facilities for efficient manufacturing and distribution which the company will possess upon completion of the present contracts and development, the strategic location of the mills, low labor cost and operating overhead, freedom from labor troubles, the outright ownership of better than two-thirds of its total power requirement and the possession of an exceedingly favorable power contract, the essential character of the business and stable market, together with the large equity securing the bonds, are pointed to as likely to insure success for this new organiaztion.

Production and Finances

Capitalization—	Authorized shares	Issued shares
Ordinary shares (no par value)	2,500	2,500
Bonded Indebtedness—		
6½% 1st mortgage bonds	$1,000,000	$225,000

Properties.—Consist of a mill at St. Andrews, P.Q., recently completed.

Production.—Six tons per day of light weight or "fine" papers.

Directors.—President, R. W. Barclay; vice-president, Wm. Currie; managing director, C. deWolf Reid; directors, J. M. Robertson and H. M. Banks.

Earnings.—Two engineers have prepared tables of estimated earnings based on low production (five tons daily) which show a net profit of better than $70,000 per annum, equivalent to approximately four times the total interest and sinking fund requirements of the bonds issued.

FAVORS BUS FRANCHISE

Transit Commission chairman's expressed approval of plans of Fifth Ave. Coach Co. to establish comprehensive system of bus transportation in New York coincides with objections of Interborough president who foresees competition with city-owned subways and increased street congestion.

FOLLOW MARKET BY RADIO

French inventors have devised a crystal pocket radio set to receive over a distance of 11 miles which is being used by brokers away from Bourse to obtain franc and dollar exchange rates which are broadcast every half hour from Eiffel Tower.

SINCE its organization in 1915, St. Maurice Paper Company, Limited, has enjoyed an enviable reputation with both investors and customers. This is due to the fact that the Company occupies a unique position in Canada's leading industry.

Wood sufficient for the life of the plants is represented by long-term leases on Crown lands and by our own freeholds, mostly located in St. Maurice Valley. Location of mills at the mouth of the St. Maurice (at Cap de la Madeleine, near Three Rivers) enables the raw material to reach plant with minimum handling, and insures low material costs. Modern equipment and plant supervision are achieving a record, moreover, in low operating costs. And the business management has placed a most conservative book-value on the properties.

Kraft, Ground Wood, Sulphite and Screenings pulps from this mill are highly regarded throughout the industry. And the repeated, voluntary testimony of publishers indicates that "St. Maurice Newsprint" (Trade-Mark Registered) is, year after year, the best newsprint produced on the North American continent.

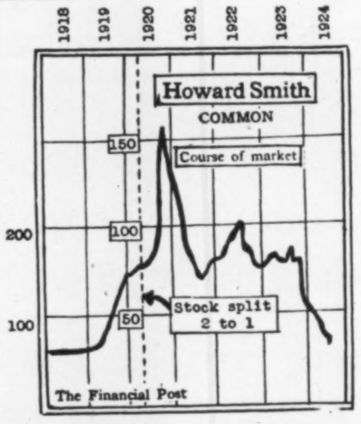
TRADE MARK REGISTERED
ST. MAURICE

ST. MAURICE PAPER COMPANY, Limited
Manufacturers of St. Maurice Pulps and St. Maurice Newsprint
EXECUTIVE OFFICES • BOARD of TRADE BUILDING • MONTREAL

Wayagamack Pulp & Paper Co.
Limited
THREE RIVERS - QUEBEC
Manufacturers of
SULPHATE PULP AND KRAFT WRAPPING PAPER
LARGEST KRAFT WRAPPING PAPER MILLS IN THE WORLD

Expansion Program of Howard Smith Company Now Complete

Concern Now a Balanced Producer of Paper—Common Stock Dividend Cut to Conserve Company's Liquid Resources



The reduction in the common stock dividend of Howard Smith Paper Mills, with the possibility of complete elimination of the dividend, has been an unsettling factor for this stock. The preferred, which had begun to be regarded as a good investment issue, has sold down to a level that puts it among more speculative stocks, and the common has also declined very considerably.

The reduction in the common dividend was effected in order to conserve the capital position of the company. This was required not only from the standpoint of good business but to meet the requirements of the trust deed of the bond issue made earlier in the year.

Howard Smith has continued to increase its sales and profits, and for the first few months of the present year was well ahead of 1923. In fact, with the exception of the reaction from the boom year of 1920, there has been no period in Howard Smith history that it has not been able to increase its sales and profits from year to year. This in itself augurs well for the future of the company.

The company has recently concluded a program of expansion, and is now a fairly well rounded unit in the business of making high-grade paper.

It is a self-contained organization, from the cutting of the tree to the selling of the finished product in Canada or abroad. Some $2,000,000 has been spent on plants in the past few years or so, and the bond issue of last winter was largely to recoup the company's treasury for these expenditures.

The company manufactures all grades of book paper, ledger paper, writing paper, rotogravure paper. etc. No newsprint is manufactured. About 10 per cent. of the company's products are exported to foreign countries. chiefly to Mexico, Australia, New Zealand, India, Japan, China and the British West Indies. The actual profit per pound on the paper exported is small, but the benefit to the company comes in the fact that this enables it to increase its production considerably and cut down the cost not only on this but on the paper for the domestic trade. Moreover the export trade is growing from year to year and the prospects are excellent for a continuance of this growth.

In 1923, Howard Smith exported 1,050 tons of paper, as against 60 tons exported in its lines by all other Canadian companies. The company is looking forward to further increase in sales both abroad and at home, where the Canadian market for high grade papers is gradually being wrested from the United States and British manufacturers, who dominated in the field a few years ago. With increase in sales, the company's profits should, of course, show a corresponding improvement.

A lot depends upon business conditions in general in Canada. Depending as it does on the Canadian market Howard Smith must continue to vary in prosperity with the general prosperity of the country.

PRODUCTION AND FINANCES

Properties.—Own the Toronto Paper Co. Also have two plants outside of Montreal and one at Cornwall. These are all paper plants and a sawmill is owned at the Gaspe timber limits. Owns former Kinlieth plant at St. Catharines, Ont., which is not now in use.

Production.—This company is one of the largest manufacturers of high-grade paper in Canada. Daily output is 30 tons of groundwood, 60 tons of sulphite pulp; 60 tons of writing; 15 tons of book paper; 15 tons of blotting and 5 tons of covers.

Timber Limits. — Owns 500 square miles of timber limits in Gaspe County, P. Q.

Capitalization—

	Authorized	Outst'd'g
Common	$4,000,000	$3,693,700
Pref. 8% cum. .	3,000,000	1,500,000

After 8 per cent. has been paid on common, preferred participates equally up to 10 per cent.

Funded Debt—

1st mtge. bonds 6% due 1934	$ 468,200
1st mtge. bonds 7% due 1941	4,500,000*

Dividend Record—

* Includes $468,200 in order to retire 1st issue

Year	Common	Preferred
1920	7¼%	6%
1921	8%	8%
1922	6½%	8%
1923	6	8%

Officers and Directors—

C. Howard Smith, president; James W. Pyke, vice-president; J. A. Cameron, vice-pres.; H. Crabtree, secretary; D. W. Campbell, W. D. Robb, Howard Murray, E. R. Decarie, T. P. Howard, comptroller; M. G. Peterkin, treasurer.

Market Record—

Year	Common High	Common Low	Preferred High	Preferred Low
1916	80	80	..	..
1917	74½	65	..	..
1918	66	65	80	65
1919	151	65	99½	78
1920	165	145	..	..
			New Company	
1920	167	74¾	107½	91
1921	110	56	92¼	64
1922	85	60	102	83
1923	83½	61½	108	97
1924 to				

	1918	1919	1920	1921	1922	1923
Op. profits	$ 252,604	$ 429,228	$ 1,087,380	$ 611,793	$ 691,370	$ 767,377
Sundry rev.	824	5,209	2,518	1,519	2,169	5,429
Invests	3,814	3,552	....	....	....	....
Tot. Inc.	$ 257,241	$ 437,990	$ 1,089,899	$ 613,312	$ 693,539	$ 772,807
Interest	17,730	35,216	78,000	141,681	197,941	269,960
Pfd. divs.	33,250	33,250	$ 120,000	120,000	120,000	120,000
Balance	$ 206,261	$ 369,524	$ 891,899	$ 351,631	$ 375,599	$ 384,847
Com. divs.	21,250	62,500	220,800	279,932	220,720	221,622
Balance	$ 185,011	$ 307,024	$ 671,099	$ 71,699	$ 134,879	$ 161,225
Deprec.	71,243	94,059	196,216	....	95,491	60,287
Written off.	4,760	11,200	16,932	....	....	....
Tax. res.	17,716	20,211	91,018	....	....	....
Reserve	....	....	....	....	115,020	117,003
Surplus	$ 91,292	$ 181,552	$ 366,933	$ 71,699	$ 16,065	....
Rate % Earned on com.	11.04	19.52	19.59	10.05	4.47	5.9%[1]

Young Vanderbilt May Have News Mill in B.C.

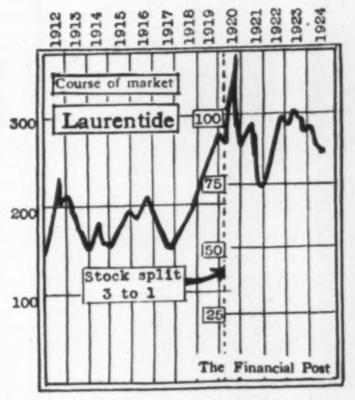
Cornelius Vanderbilt, jr., millionaire newspaper publisher, plans a newsprint mill in British Columbia.

Questioned as to the type of plant he would erect, Mr. Vanderbilt stated that it would be equipped with the most modern machinery and improvements. The mill, he said, would likely produce about 600 tons daily.

Under present plans, according to the publisher, the mill would not be built for two, and possibly three, years. He intends to have it in operation by the time his field of publications has extended from two to five daily illustrated papers.

Laurentide Stands Alone as Yet Despite Talk of Merger

Big Company at Grand'Mere Has Not Joined Forces With Other Companies in Its Area—Its Securities Have Proven Their Strength



Another year has gone by and Laurentide is still an individual unit in the Canadian pulp and paper industry. The long awaited merger of this company with others in the St. Maurice Valley to form a gigantic newsprint combination has not materialized.

Yet it seems certain that something along this line must come about in time—perhaps not this year, perhaps not for several years. A merger of the St. Maurice Valley companies is logical if it can be effected without inflation of capitalization. In addition to savings in expenses, there could be effected more efficient use of the joint forest reserves of the various companies. Moreover, the step would be preliminary to a larger consolidation of nearly all the Canadian newsprint producers—a step that is felt by many to be necessary if steady markets are to be maintained and foreign competition effectively met.

Laurentide would stand to benefit greatly from such a merger, for it would improve its supplies of pulpwood. These are already large and important, but the company has been in operation for many years, and its supplies of pulpwood are getting further and further away from the mill, a situation that is being arighted to some degree by an aggressive policy of reforestation.

Laurentile has created at Grand Mere, Quebec, a town that is among the prettiest in Canada and reflected the broad attitude the management of the company take towards its functions. Labor problems never enter the company's operations. The mills are large and modern in every respect, and the fastest running newsprint machines in the world are located there. Production is holding up well and the new machines installed out of and financed out of earnings a short time ago are getting into their real capacity.

Laurentide has carried on its dividend right through the worst periods of depression in the paper industry and this, coupled with the vigor and strength that has been built into the company over the term of its operating life to date, has won for it the confidence of investors.

PRODUCTION AND FINANCES

Timber Supply.—Company owns 41,274 acres of timber lands; and holds under license 2,057,600. In addition 20,000 cords are purchased yearly.

Properties.—Include a modern mill at Grand Mere, P.Q., a town created by and dependent to a large extent upon this industry. Power is purchased from the Laurentide Power Co., a subsidiary, which is independently financed.

Production.—Groundwood pulp, 350 tons; sulphite, 150 tons; pulpboards, 50 tons, and newsprint, 375 tons daily. Excess pulp over own requirements, 20 tons of groundwood daily.

Capitalization—

	Authorized	Outst'd'g
Capital stock .	$35,000,000	$28,800,000

In 1920 shareholders received three shares of new stock for each one share of old stock.

Funded Debt—

None.

Dividend Record—

On stock of predecessor company, dividends were paid as follows: Oct., 1911, 1½ per cent.; Jan., 1912, to Jan., 1917, inclusive, 2 per cent. quarterly; April, 1917, 2½ per cent., which quarterly rate was paid to and including Oct., 1918; Jan., 1919, to Jan., 1920, inclusive, 3 per cent. each quarter. An extra dividend of 3 per cent. was paid July, 1919. On stock of present company dividends have been paid at rate of 1½ per cent. quarterly, April, 1920, to date.

Officers and Directors—

Officers.—Geo. Chahoon, Jr., president and general manager; Chas. R. Hosmer, vice-president; Louis Armstrong, treasurer; Wm. F. Robinson, secretary.

Directors.—Geo. Chahoon, Jr., Chas. R. Hosmer, Rich. B. Angus, Sir Thos. Skinner, Bart., Ed. Hanson, F. A. Sabbaton, Com. J. K. L. Ross, Geo. H. Montgomery. K.C., Sir Lomer Gouin, K.C.M.G

Market Record—

Year	High	Low
1912	240	155
1913	233	140
1914	192¾	164½
1915	198	160
1916	217½	176
1917	195	152
1918	198	152
1919	276	192
	New	Company
1920	125	81
1921	95	62
1922	99	72½
1923	103½	85
1924 to		

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Profits	$ 2,459,920	$ 2,743,374	*$ 2,401,550	$ 6,404,395	$ 2,360,640	$ 2,781,890
Inc. from invest.	133,914	212,605	165,123	319,638	332,514	386,107
Total inc.	$ 2,593,834	$ 2,955,979	$ 2,566,673	$ 6,724,033	$ 2,693,154	$ 3,167,997
Interest etc.	227,296	236,927	304,447	885,261	440,632	424,998
Deprec. res.	271,883	329,841	482,687	1,322,843	458,461	753,896
Other reserves .	390,000	565,554	280,000	....	....	....
Dividends	960,000	1,392,000	864,000	1,728,000	1,728,000	1,728,000
Inventory res. ..	....	....	....	2,000,000	....	....
Surplus	$ 744,655	$ 431,657	$ 635.539	$ 787,929	$ 66,061	$ 261,103
Rate % earned..	17.75	19.00	*5.21	8.73	6.23	6.9

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*Six months ended June 30, 1920, present company.

†Includes reserve for taxes, depreciation and depletion.

BIRD & SON FACE KEEN COMPETITION

Turnover Larger But Closer Prices Prevail and Profits Are Lower

The last annual report of Bird & Son showed that the company had made advances in the matter of new business, but with keen competition and consequently closer prices, the net profits showed quite a decline. The company's factory at Hamilton is now consuming a larger portion of the product of the Port Rouge mill. Both plants are in excellent shape to handle the natural growth of the company's business without calling on capital for further expenditures. The last report showed the company's working position good, the quick assets compared with current liabilities being in ratio of 5 to 1.

Capitalization—

	Authorized shares	Issued
Common	80,000	75,700
Pref. com. 7%...	$400,000	$400,000

Manufacture asphalt roofings, felt, etc., at Hamilton and special roofing felt at Port Rouge, Que. Officers: Philip R. Allen, pres.; W. R. McNeil, vice-pres. and gen. mgr.

BUS LINES HIT LOCAL TRAINS

NEW YORK.—In line with the policy of certain Southern railroads, the Seaboard Air Line has applied to the Public Service Commission in Georgia for permission to abolish ten local trains in that state. On account of the bus line competition, the managers of the railroad say that many local trains are being operated at a loss.

Macleod Pulp and Paper Company, Ltd.

Manufacturers of Finest Quality, All Spruce
GROUNDWOOD PULP

Only groundwood mills located on both railroad and tidewater with open harbor the year round.

Largest Water Power in Nova Scotia, 30,000 horse power.

Largest supply of pulpwood, based on capacity, of any pulp or paper mill in the world.

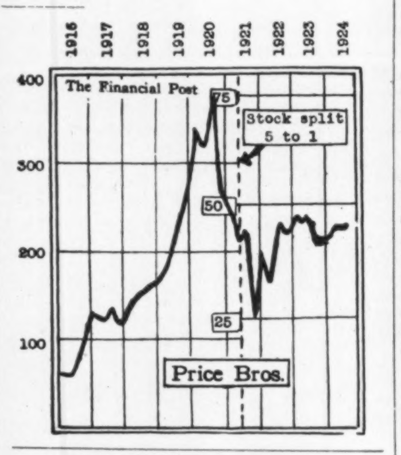
Land holdings all owned in fee and run 95 per cent. spruce.

LIVERPOOL - - NOVA SCOTIA

Price Brothers are Going on With Their Expansion Program

Will Eventually Have Daily Output of 900 Tons of Newsprint Paper—At Present Producing Over 500 Tons Daily

Price Brothers has brought its daily output of newsprint to over 500 tons, this giving them the largest single mill in Canada. Despite the slackening demand for newsprint, no curtailment in construction programme is planned. It is hoped to have an additional unit of 200 tons in operation in 1925, which will make Price Brothers the largest producer of newsprint in Canada. By 1926 the final unit of 200 tons per day will be in operation, according to present plans. This will give Price Brothers a total production of well over 900 tons a day.



This will make it possible for Price Brothers to make effective use of its extensive timber limits, and to develop an earning power adequate to carry its large outstanding capital stock. Despite the fact that Price Brothers has been a very large producer of lumber as well as paper, the capitalization has been high as compared with other newsprint companies. This situation no longer exists.

Price Brothers' new developments have taken place at Kenogami, in the Lake St. John district. The power for the new mill is coming from the development of the Duke-Price Company, which is developing hydro-electric power at the Grand Descharge, of Lake St. John. This development was undertaken jointly by J. B. Duke, an American millionaire, and the Price interests. Price Brothers own a 25 per cent. interest in the development, and, in time, this should prove a profitable arrangement for the shareholders in Price Brothers and Company. Price Brothers is one of the oldest forest industries in Canada. The industry goes back to 1817 when the first Wm. Price began lumbering in the Saguenay district. The mills have grown to their present size through three generations of the Price family.

The present company owns and controls some 200 square miles of timberland. Its mills produce newsprint and wood pulp, cardboard and paper specialties, lumber, shingles, laths and railway ties.

It is estimated that the company has raw material sufficient to give it an inexhaustible supply of timber. This, of course, is dependent upon reforestation, and the forest operations of the company are carried out on the most modern scale.

The outlook for Price Brothers is decidedly bright, and while the company is still in the throes of its gigantic development programme, shareholders must not overlook the fact that an immensely valuable property, well balanced as to raw materials and production, is being built up. There does not seem to be much likelihood of an early increase in the dividend rate, which is small, but earnings in time should justify substantially better dividend payments.

PRODUCTION AND FINANCES

Pulpwood Supply. — The company's timber limits are the finest in Canada and aggregate 8,700 square miles.

Mills.—At Kenogami for newsprint; at Jonquiere for cardboard and specialties and at Rimouski for groundwood. There are nine sawmills.

Production. — Newsprint, 500 tons daily; woodboard, 25 tons.

Capitalization—	Authorized	Outst'd'g
Stock	$60,000,000	$42,683,200

Shareholders in old company received five shares of stock in new company for each share of old stock in 1920.

Funded Debt—

1st mtge. 6 per cent. bonds, due 1943, $10,000,000.

Dividend Record—

On stock of predecessor company dividends were paid as follows: Initial dividend of 1½ per cent., Sept., 1916; Jan., 1917, 1¼ per cent.; April, 1917, 3 per cent.; July, 1917, to April, 1918, 1½ per cent. each quarter; July, 1918, to Jan., 1921, 2 per cent. each quarter. In addition, extra dividends of 2 per cent each were paid Feb., 1918, and Feb., 1920. Stock dividend of 22 per cent. paid Feb., 1920. On stock of present company 2/5 per cent. bonus was paid Jan., 1921; Feb., 1921, 2/5 bonus; April and July, 1921, ¾ per cent. each; Oct., 1921, to date, ½ per cent. quarterly.

Officers and Directors—

Officers.—Sir William Price, president; George H. Thompson, J. M. McCarthy; vice-presidents; J. Leonard Apedaile, managing director; H. E. Price, secretary-treasurer.

Directors.—Above officers and Sir Ion H. Benn, Bt., C.B., M.P.; W. S. Hofstra, A. J. Price, Chas. A. Pentland, K.C., Sir Herb. S. Holt, J. A. Scott, Sir Keith W. Price.

Market Record—

	Old Company	
	High	Low
1913	73	65
1914	60	60
1915	..	..
1916	132	60
1917	134	115
1918	151	120
1919	260	155
1920	385	250
	New Company	
1921	42¼	24¾
1922	47¾	30
1923	47	39
1924 to		

Profit and Loss—

	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24
Gross Profit	$1,493,961	$ 2,055,782	†$1,135,450	$ 1,327,332	$ 2,338,934	$ 3,408,966
Bond int. and sink. fund ..	419,976	419,976	139,992	419,976	419,976	551,515
Other interest	20,000	14,000	2,000	2,000	....	....
Other deduct ...	....	150,000	....	....	....	....
Deprec., etc.	....	....	....	....	700,096	1,142,013
Net profit	$ 1,053,985	$ 1,471,806	$ 993,458	$ 905,356	$ 1,218,862	$ 1,715,438
Dividends	400,000	*690,684	341,466	1,067,080	853,664	853,664
Surplus	$ 653,985	$ 781,122	$ 651,992	**$ 161,724	$ 365,198	$ 861,774
Rate earned	21.08	17.25	$ 2.33	$ 2.12	$ 2.85	$ 4.00

*Not including $1,540,000 stock dividend (22%) paid out of surplus accumulated prior to Jan. 1, 1917.

†For four months ended Feb. 29, 1921.

**Deficit.

ST. REGIS PAPER CO. SOON TO BUILD MILL

Big American Newsprint Firm Has Plans to Expand in This Country

Now an important producer of Canadian pulpwood, soon to be one of our big pulp and paper companies is the St. Regis Paper Company of Canada. This organization has obtained a site at Quebec City where it will build a 200 ton mill, later to be extended to 500 tons, as soon as market conditions in newsprint give justification for the construction work.

In the United States, the St. Regis Paper Company is one of the largest paper companies and is the third largest producer of newsprint in that country. Its mills are located throughout Northern New York, but much of the pulpwood has been brought from Canada where the St. Regis Company has extensive timber limits.

Conditions have so changed that it is now more profitable for the St. Regis Paper Company across the border to utilize the power sites at its American mills for the production of electrical and hydraulic energy for sale to other industries. This will mean the gradual concentration of production in this country in pulp and paper.

The company recently raised $1,500,000 in New York for the purpose of paying for the Canadian site and providing the company with working capital.

Properties.—The St. Regis Paper Co. of Canada, is a large producer of pulpwood with an annual capacity of over 100,000 cords. In addition to logging plants and equipment at Oscelanea and Godbout, Province of Quebec, properties of the company comprise freehold timber limits in the province owned in fee, or under contract to locate, aggregating 168,934 acres which, according to the report of independent engineers, contain over 2,000,000 cords of pulpwood. A site at Quebec is owned where a newsprint mill will shortly be erected.

Capitalization.—Consolidated capitalization of St. Regis Paper Co. and St. Regis Paper Co. of Canada, Ltd.:

	Authorized	Outst'd'g
Preferred stocks ..	$6,500,000	1,577,700
Minority com. stock St. Regis Paper Co. of Canada, Ltd. .	......	19,156
Common stock, shares, no par value	x400,000	x316,000
x Shares.		
Bonded Indebtedness—		
6½% serial debentures . .	$1,500,000	$1,500,000

BATHURST COMPANY EARNINGS LOWER

Company Suffered in 1923 From Weak Condition of Sulphite Markets

Though the Bathurst Company has gone in for the manufacture of newsprint, it did not have a very good year in 1923. No financial statement was issued to the public, but it is understood that the company suffered severely from losses of logs in its timber operations, and general weakness in the sulphite pulp markets also helped to reduce its earnings. Bathurst Company has for two or three years had its earnings reduced as a result of weak conditions in the sulphite market, but it stands to benefit greatly from any improvement that may take place.

The company became the first newsprint manufacturer in the Maritime provinces when it installed one machine of 60 tons daily capacity in 1923. It is supplying newsprint to most of the Maritime papers and also exports a small quantity to the United States. It is planned eventually to add another newsprint machine.

CAPITALIZATION

Common shares	$9,774,200
Bonded Indebtedness	
6¼% 1st mtge. bonds	$1,500,000
7½% 1st mtge. bonds	1,477,000

Convertible into common at par.

Timber Supply—The company's and subsidiary's leasehold timber lands comprise 1,030 square miles in the Province of New Brunswick and 1,533 square miles in the Province of Quebec, which areas are held under leases direct from the Crown and are estimated to contain not less than 2,000,000,000 feet board measure of spruce, pine and cedar logs and 10,000,000 cords of pulpwood.

Properties — Consist of mills and plants at Bathurst, N.B., and a developed water power at Grand Falls with a present capacity of 9,000 h.p.

Production—On completion of present construction will total in addition to timber 36,000 tons annually of newsprint; 19,500 of sulphate or kraft pulp; and 12,000 tons of sulphite pulp.

Directors—Angus McLean, president; A. E. McLean, vice-president; M. E. Priesch, vice-president; John A. Cameron, Ottawa; L. S. DeGraff, North Tonawanda, N.Y.; Gordon C. Edwards, Ottawa; Cyrus D. Jones, Scranton; F. P. Jones, Montreal; Harry L. Jones, Brooklyn, N. Y.; F. M. Kirby, Wilkes Barre, Pa.; A. E. Loosen, Bathurst, N. B.; Hugh McLean, Buffalo, N.Y.; E. S. Peck, Scranton, Pa.; F. L. Peck, Scranton, Pa.

Profit and Loss Statement, 1922

Net profit for year		$123,677
Balance fund	$305,805	
Less adjustments . .	27,794	
		$401,687
Less:—		
Bonded interest	$110,594	
Other interest	109,323	
P. & L. Balance		$181,770

WHALEN IS NOW PAYING WAY: TO BE REORGANIZED

Three Mills Are Now Being Operated by Receiver

The three mills of Whalen Pulp and Paper Co. are now being operated. The Swanson Bay mill is turning out lumber; the Port Alice has been going at capacity since July 1, while the third plant has been operating steadily. The product of all mills is sold up to the first of the year. Whalen is at present being operated by a receiver, while an attempt is being made to straighten out its finances. Operations have steadily improved, and though the markets are not the best, the receiver is able to pay his way.

Pres. Thos. McGarry is quite optimistic in regard to the future. The committee of bond and debenture holders will meet in the not distant future to deal with reorganization proposals. Mr. McGarry was not prepared to discuss any proposals as yet, but he was certain that things would work out all right for the bond and debenture holders. He expressed pleasure at the confidence shown by the debenture holders, 70 per cent. of whom have already deposited their certificates with the committee. Notices going out were delayed, and more are to be expected.

The Whalen Company has developed an excellent customer for its pulp and lumber in Japan. The earthquake proved quite a blow to the company. However, the Japanese market is recovering rapidly and is much better now, while the lumber situation at the coast is also improving.

Pres. McGarry would not reveal if his organization's hopes and aims included a paper mill, but there is every reason to believe that if this can be proceeded with, it will be certain to go through. If not, immediately the company gets on its feet such a plant will be added. The Western states offer an excellent market for such a mill and the Whalen Co. is well supplied with the necessary limits in British Columbia.

Capitalization—

Common	$8,000,000
Preferred 7% cum.	2,102,500
Debentures 7%	3,050,000
Funded Debt—	
Bonds, 6%	2,892,500
Bonds, 6% (B.C. Fibre)..	260,000
Bonds, 7%	50,000

Acquired assets and business of B. C. Sulphite Fibre Co., Empire Pulp and Paper Mills, Ltd., and Colonial Lumber and Paper Mills, all in British Columbia.

Production capacity 75,000 tons sulphite pulp, 60,000,000 feet lumber, 75,000,000 ft. shingles and 35,000,000 boxes annually.

Timber Supply.—Leased 155,000 acres timber lands.

Officers.—James Whalen, chairman of board; Hon. T. W. McGarry, president; W. D. Ross, vice-pres.; P. S. Curtis, sec.-treas.

United States Uses Over Half World's Newsprint

Figures that have recently been compiled indicate that more newsprint paper is used in the United States than in all other countries of the world put together. Consumption per capita in 1922 reached 45 pounds. The circulations of the Sunday newspapers, many of which weigh in the neighborhood of a pound or more, total 20,000,000 copies per edition, and circulations of daily newspapers total 30,000,000 copies. The average daily weighs about half a pound, and one American newspaper came out the other day with a 64-page ordinary issue, which would take one ton of newsprint for every 2,000 copies.

HUGH J. CHISHOLM
President

C. A. GORDON
Vice-President

H. E. BEEDY
Vice-President

F. E. TUFTS
Treasurer

F. E. BRAWN
Mill Manager

NASHWAAK
Pulp & Paper
Company, Limited
Manufacturers of
Highest Grade Bleached Spruce
SULPHITE PULP

THIS plant has been remodeled during the past year and equipped with the latest and most improved machinery.

Plant at
FAIRVILLE, N. B.
NEAR ST. JOHN
Sales Offices:
200 Fifth Avenue - New York City

Merger Talk and Nearness of Report Focus Eyes on Spanish

Joint Production of Its Three Plants and Abitibi Would Mean 1,200 Tons of Newsprint Daily—Some Oppose Consolidation

On page 33 of this issue the annual report of the Spanish River, just made public, is reviewed.

The eyes of the pulp and paper industry are on Spanish River these days because of the talked-of merger with Abitibi, and the recent report that shareholders of the Spanish Co., located in Montreal, were out to oppose and, if possible, block the merger, also because the annual report is just issued. Many reasons are advanced for and against the talked-of merger. Some of the Spanish shareholders base their objection on the fact that Abitibi, along with many other companies, has had a stock split, and is, therefore, in a more favorable share position than Spanish. In this regard they recall the remarks of Pres. George Meade at the last annual meeting, in which he expressed a desire to place Spanish securities in the solid investment class.

The merger proposal is said to involve a company of $70,000,000 capitalization, $30,000,000 to Abitibi and $40,000,000 to Spanish. Bond issues outstanding would be retired and new ones with the combined assets behind them issued. There would be an advantage here in the matter of interest. Both companies have now 8 per cent. issues out. Now they could place them around 6 per cent. On the share exchange, Abitibi shareholders would get six new for five old, while Spanish would get two new for one old common and two and a quarter for one preferred.

Spanish River is the largest operating unit in the pulp and paper business on the continent, its three mills producing 680 tons of newsprint, 290 tons of sulphite pulp, 35 tons of wood-pulp board, with its sulphite pulp production 135 tons above its own requirements. If merged with Abitibi, the consolidated company would have an output of 1,200 tons of newsprint daily.

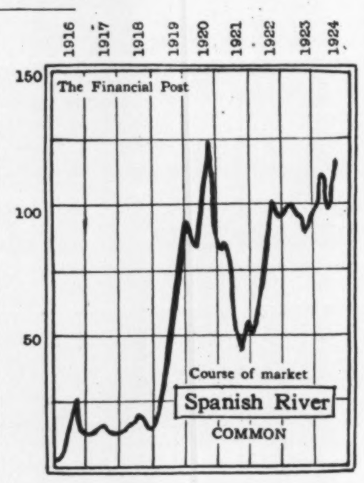
Production and Finances

Pulpwood Supply.—The company controls about 17,000 square miles of timber lands.

Mills.—Are located at Espanola, Sault Ste. Marie and Sturgeon Falls, Ontario.

Production at three mills totals 665 tons of groundwood pulp, 290 tons of sulphite pulp and 35 tons of wood pulpboard and 680 tons of newsprint. Excess sulphite pulp production above own requirements is 150 tons daily.

Capitalization—	Authorized	Outst'd'g
Common	$10,000,000	$8,995,500
7% cum. pref. .	10,000,000	8,619,500



Preferred participates equally with common after payment of 7% on latter.

Funded Debt—	
1st mtge. bonds 6% due 1931	$7,917,460
Mtge. lien notes 6% due to 1929	2,114,500
Gen. mtge. bonds 8% due 1941	3,000,000

Dividend Record—

Year	Common	Preferred
1911	....	7%
1912	....	7%
1913	....	3½%
1920	1¾	1¾ + 42%*
1921	7	7%
1922	7	7%
1923	7	7%

*—Arrears paid up on preferred July, 1920.

Officers and Directors—

Officers.—George H. Mead, president; P. B. Wilson, T. Gibson, vice-presidents; J. G. Gibson, secretary; A. H. Chitty, treasurer; C. H. L. Jones, general manager of manufacturing; G. R. Gray, general manager of woods.

Directors.—George H. Mead, P. B. Wilson, Thos. Gibson, C. E. Read, T. Watson Sime, G. R. Gray, T. H. Watson.

Market Record

Year	Common		Preferred	
	High	Low	High	Low
1912	70¼	34	97½	85
1913	72⅜	9	97½	30
1914	16¾	9	51	30½
1915	7¼	3	35	35
1916	25	3½	70	29
1917	19	13	59¼	49½
1918	20	12¾	65	50
1919	90½	17	131	63½
1920	125¼	75	149½	82
1921	89½	44	95	51⅞
1922	103½	58⅛	112¼	67
1923	103	32	108	94
1924 to				

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Net earn	$ 1,729,231	$ 2,757,964	$ 3,915,051	$ 4,836,001	$ 3,361,537	$ 4,008,155
Deprec.	344,137	501,068	594,620	628,480	475,975	736,560
Int. on debts &c.	807,519	799,975	768,362	744,371	950,645	888,178
Govt. taxes on contingencies .	*500,000	160,000	350,000	500,000	150,000	200,000
Net prof.	$ 77,575	$ 1,296,921	$ 2,202,069	$ 2,963,150	$ 1,784,917	$ 2,183,417
Pref. div.	....	....	....	603,365	603,365	603,365
Com. div.	....	....	....	629,685	629,685	661,290
Proportion of divi. paid to bondholders ...	....	....	....	137,005	137,005	140,517
Sink. fund	....	....	638,000	304,097	317,766	....
Surplus	$ 77,575	$ 1,296,921	$ 1,564,069	$ 1,288,998	$ 97,096	$ 778,245
Prev. surplus ..	993,726	1,071,301	2,368,222	1,060,798	2,349,796	2,446,892
†Accum. pref. ..	....	....	2,371,493	....	....	....
From reserve ...	....	....	....	....	....	1,259,863
	$ 1,071,301	$ 2,368,222	$ 1,060,798	$ 2,349,796	$ 2,446,892	$ 4,485,000

*Deficiency account.
†Accum. pref. div. to June, 1920.

BROWN CORPORATION RECENTLY FINANCED

Got Interest of Canadian Investors by Marketing Issue of Preferred Stock in Canada

When the Brown Corporation made an issue of $2,000,000 of preferred stock last spring, this old-established company made its bow to the Canadian investment public. It is the Canadian subsidiary of one of the large American pulp and paper companies, the Brown Company of Portland, Maine. The issue was made in order to give the Canadian public a more direct interest in this company.

The Brown Corporation operates a sulphate pulp mill at La Tuque, Que. The company is especially notable for its extensive holdings of timberland. In all it controls some 5,000 square miles, conservatively estimated to contain over 12,000,000 cords of pulpwood.

The company has gone in extensively for the economic development of chemical by-products of pulp manufacturing. At its plant it is already manufacturing turpentine from the waste sulphate liquor which is not utilized in most mills. Following the lead of its American parent company, a much larger list of chemical products will shortly be manufactured chloroform, bisulphate of carbonate which is used for disinfecting and other purposes; caustic soda, largely employed in bleaching woollen products, and a number of vegetable oils used in the manufacture of soap. A product more or less akin to pulp and paper is fibre tubing and piping, made by an automatic process from pressed groundwood pulp. This tubing is largely used by electrical companies for conduit covering, while the large sizes are used for pumping water from mines.

Brown Corporation is certain to invest many more millions of dollars in Canada in the next few years. Its present plans call for the gradual expansion of its American mills along the line of chemical production and its extensions along the line of pulp production will take place in Canada. While only sulphate pulp is now produced at La Tuque it seems likely that sulphite pulp will also be produced there at a mill that will be erected in due time.

Production and Finances

Capitalization—	Authorized	Outst'd'g
7% cum. pref.	$2,000,000	$2,000,000
Common stock	9,000,000	9,000,000

Bonded Indebtedness—	
1st mtge. 6% bds. 1924-30 .. ... (closed)	$11,400,000

Properties. — Sulphate pulp mill and lumber mill at La Tuque, P.Q. Plant has a daily capacity of 220 tons of sulphate pulp.

Timber Reserves.—Owns about 1,000,000 acres of freehold timber limits; holds lease on 2,000,000 acres additional. Owns cutting rights on 160,000 acres, making total holdings of about 5,000 square miles, estimated to contain over 12,000,000 cords of pulp wood.

Earnings.—Earnings, after taxes and interest, of the Brown Corporation for the last five fiscal years, averaged $670,000, and for the last ten years $608,000. During the ten-year period, depreciation charges deducted averaged $311,000 (equivalent to over 5% of the present book value of the plant) which left a balance available for dividends of over twice the requirements of this issue.

GASOLINE SALES

QUEBEC.—Between five to six million dollars is being spent this year for the purchase of gasoline to operate motor vehicles and motor boats in the province, either by local residents or visitors, according to statistics now being compiled by the provincial revenue department. The quantity of gasoline used throughout the entire year is estimated at 17,500,000 gallons.

PAPER INDUSTRY TO EXPAND STILL FURTHER

(Continued from page 17)

1st of January, 1926, and will be built large enough to receive a further two newsprint machines of like capacity.

This will make Price Brothers one of the world's largest producers of newsprint paper.

St. Regis

The St. Regis Paper Company is likely to be one of the leading paper mills of Canada in a few years time. It has already acquired a site at Quebec for the new mill of the company, and as soon as conditions on the newsprint market improve, work on the development will get underway. Probably the mill will have a capacity eventually of 500 tons per day, although the first unit to be built will produce only about 200 tons per day.

This concern is backed by strong New York interests, who are big newsprint producers in the United States. The St. Regis mills in the United States rank third among newsprint producers of that country.

St. Maurice Paper

At the present time the St. Maurice Paper Company is building an addition to its plant at Cap Madeleine, a suburb of Three Rivers, P. Q. In this building two new paper machines of a width of 164 inches will be installed for the manufacture of newsprint paper. This will add approximately 130 tons per day to the St. Maurice Company's production of newsprint. It is expected that these new machines will be in operation by January 1, 1925.

Straw Pulp Mill

WINNIPEG.—Business men have interested themselves in the new straw and pulp project, to be known as "Canadian Chemical Pulp and Paper Co."

Samples of pulp and paper made from Manitoba straw are now being shown. These, which are admitted to be of excellent quality, were made at the Godin mills, Huy, Belgium. Eight tons of Manitoba straw was shipped for the experiment, and the tests are said to have been beyond expectations. The process, however, was not exactly a new one, having been in use successfully in France and Belgium since 1919.

Straw, of course, largely goes to waste on the prairies, and any industry which could utilize this commodity, even in a small way, would be welcomed.

It is intended to manufacture pulp —not paper—and it is hoped to sell this pulp to the already established manufacturers of high-grade papers, both in Canada and the United States. It is believed that the introduction of straw pulp for this purpose will be the means of enabling the paper manufacturers to produce high-grade papers at reduced costs.

The capacity of the proposed mill is fifty tons of pulp per day, and enquiries made from manufacturers of high-grade paper in Canada and the United States lead to the belief that this pulp will be marketable at prices which will give an adequate return on the capital employed, and, in addition, be of benefit to the farming communities where it is hoped to erect mills. At the present time, Winnipeg, with a fifty-ton mill, is all that the Canadian Chemical Pulp and Paper Company has in mind, and Winnipeg is eminently suited for the purpose because it commands the two great essentials, namely, cheap straw and cheap power. Statistics show that within a radius of fifty miles of Winnipeg there is about ten times as much straw grown (wheat, oat and barley) as is necessary for a fifty-ton mill, and Winnipeg, through the Manitoba Power Company and the City Hydro Plant, enjoys the cheapest power in Canada, and, perhaps, on the continent of North America.

Bear River Pulp Mill, Ltd.

The Bear River Pulp Mills, Ltd., at Bear River, N. S., will expend in the neighborhood of $300,000 on the rehabilitation of Clarke Bros. mill at Bear River. Several new machines are being installed. It is expected that alterations will be completed and the mill in operation by October 1.

Great Lakes Pulp and Paper Co.

This company has a new newsprint mill now under construction at Fort William. Present plans call for a production of 100 tons groundwood pulp with arrangements for increasing to 400 tons. The pulp mill is expected to be operating in the spring of 1924. Newsprint production should commence in 1925.

Metabetchwan Pulp and Paper Co.

This company has a sulphite mill a few miles south of Kenogami on the Quebec and Lake St. John R.R. which may be made the basis of a large newsprint mill.

Garden City Paper Mills

The Garden City Paper Mills has announced plans for the erection of a new mill for the manufacture of high-grade specialty papers. Its plant is at St. Catharines.

Continental Wood Products

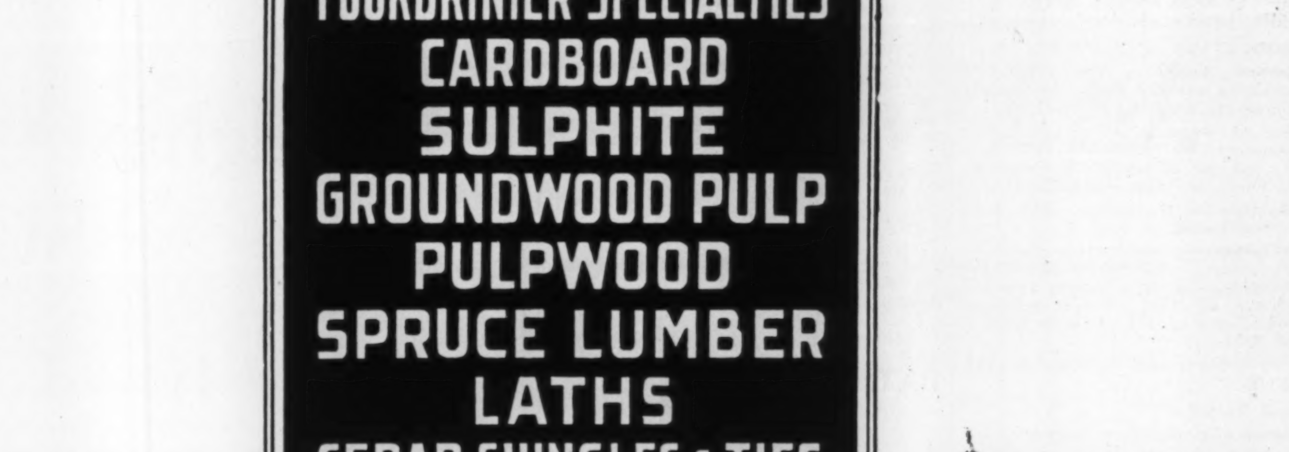
This company which is affiliated with the Continental Bag and Paper Mills of the United States is planning the erection of a 100-ton Kraft pulp mill in the vicinity of Elaas. The erection of the mill was a stipulation of the Ontario government when calling for tenders on about 1,000 square miles of timberland in this district. The contemplated agreement will also call for the subsequent erection of a kraft paper mill.

Western Quebec Paper Mills

Western Quebec has a new mill under construction at St. Andrews, P. Q., for the manufacture of tissue paper. Production is expected to commence early in 1924.

P B
ESTABLISHED OVER 100 YEARS
Price Brothers & Co. Limited
QUEBEC, CANADA.

MANUFACTURERS OF
NEWSPRINT PAPER
FOURDRINIER SPECIALTIES
CARDBOARD
SULPHITE
GROUNDWOOD PULP
PULPWOOD
SPRUCE LUMBER
LATHS
CEDAR SHINGLES & TIES



An attractive view of the extensive mills of Price Bros. & Company at Kenogami, showing the huge block pile of prepared wood and reserve of logs in the booms.

PAPER AND
PULP MILLS
Kenogami
and Jonquiere

SAW MILLS
On North and South Shore
of St. Lawrence River
and on Saguenay River

International Paper Makes Plans for Greater Expansion in Canada

Proposes to Erect Newsprint Mill in Dominion—May List Stock on Canadian Exchanges—Earnings Have Improved

The total production of paper by the mills of the International Paper Company since its organization to January 1, 1924, amounted to 11,727,166 tons.

This would make a strip of paper as wide as the average newspaper page, 271,621,850 miles in length, or long enough to loop the earth and moon 568 times; or, enough to reach from the earth to the sun, back to the earth and then back again to the sun.

To make this enormous quantity of paper 16,039,312 cords of pulp wood were consumed.

CAPITALIZATION

Capital Stock—	Authorized	Outst'd'g
6% preferred ...	$25,000,000	$24,920,648
Common	20,000,000	19,931.984

Bonded Indebtedness—	Outstanding
First and refunding mtge. 5% gold bonds, series "A" (due 1947)	$6,790,000
First and refunding mtge. 5% gold bonds, series "B" (due 1947)	12,017,000
Aroostook Pulp & Paper Co. 6% bonds (due $50,000 annually Jan. 1, 1924-5)	100,000
St. Maurice Lumber Co. 5% bonds (due 1927)	50,000

PRODUCTION AND FINANCES

Properties.—Company owns and operates 15 paper mills—fourteen in United States and one in Canada. Also 6 pulp mills producing ground wood pulp for white papers, one kraft pulp mill, 13 sawmills, 17 rossing mills for removing the bark from pulpwood and 8 hauling-out and cutting-up mills.

Production.—The normal daily capacity of the mills is 1,926 tons of paper (of which about 60 per cent. is newsprint); 1,698 tons of groundwood pulp; 539 tons of sulphite pulp and 55 tons of sulphate pulp.

Timber Reserves.—At the present time the company and its subsidiaries own in fee in the United States and Canada 1,639,000 acres of timberlands, and also control 2,875,000 acres of crown and leased lands. Of the total 3,200,375 acres are in Canada and 1,313,816 in the United States.

Dividends.—Not now being paid on common.

Directors.—Malcolm G. Chace, Allen Curtis, Philip T. Dodge, Herman Elsas, Percy H. Jennings, Chester W. Lyman, Ogden Mills, Ogden L. Mills, Albert H. Wiggin, R. Pagenstecher, Ogden M. Reid, Owen Shepherd, A. A. Tilney.

Executive Officers.—Philip T. Dodge, president; Ogden Mills, vice-president; W. E. Haskell, vice-president; Allen Curtis, vice-president; Chester W. Lyman, vice-president; Owen Shepherd, treasurer; F. G. Simons, secretary; B. O. Booth, auditor.

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Net rev. fr'm per.	$ 7,831,323	$ 7,044,455	$21,176,147	$ 134,465	$ 1,194,204	$ 5,540,115
Other inc.	363,562	126,138	62,918	979,054	....	....
Total rev. ..	$ 8,194,885	$ 7,170,593	$21,239,065	$ 1,113,519	$ 1,794,204	$ 5,540,115
Deductions—						
Deprec. of mill plants	1,556,786	1,840,749	1,823,301	1,898,019	1,962,289	2,045,688
Int. on fund. debt	385,521	348,350	329,402	323,183	959,304	959,883
Ex. prof. tax res.	1,100,000	860,000	7,000,000	....	....	....
Res. for doubt. acc. &c.	....	....	250,000	....	....	....
T'tal deduct'ns.	$ 3,042,307	$ 3,049,099	$ 9,402,703	$ 2,211,202	$ 2,921,593	$ 3,005,570
Net rev.	5,152,578	4,121,494	11,836,362	*1,107,683	*4,715,797	2,534,544
Pref. div.	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Inv. adjust.	....	....	....	5,998,715	2,846,691	....
Surplus for yr.	$ 3,652,578	$ 2,621,494	$10,336,362	*8,606,398	*9,062,488	1,034,544
Prev. surplus ...	15,452,186	19,104,763	21,726,257	32,062,619	23,456,221	14,393,733
Total surplus .	$19,104,764	$21,726,257	$32,062,619	$23,456,221	$14,393,733	$15.428.277

*Deficit.

Newsprint Output of St. Maurice Paper Co. Has Been Added to

Two Small Machines Go in at Three Rivers Plant, Making Capacity About 235 Tons Per Day—Limits Purchased From Union Bag and Paper Corp.

Developments have been very interesting in St. Maurice Paper recently. There has been the important purchase of extensive timber limits from St. Maurice's parent company, the Union Bag and Paper Corporation of New York. There has been the issuance of new stock to shareholders at par, or something less than the market price at the time of offering; there has been the programme of expansion, in the shape of two new newsprint machines, that will bring the daily output of St. Maurice to about 235 tons of newsprint daily. The newsprint machines are likely to be financed by a new bond issue which is in anticipation, but which has not yet been offered. The issue is expected to be for $2,500 000, which figure is by no means definite.

Early this year St. Maurice purchased some 500 square miles of timber limits on the St. Maurice River estimated to contain about 1 250,000 cords of pulp wood, from the parent company, Union Bag & Paper. The initial payment will be in the form of 2,500 shares of St. Maurice stock. while future payments will be made in cash over a term of years to a total amount not stated, but which it is thought will be about a dollar per cord stumpage, or about $1,250,000 The limits in question are Crown lands, from which Union Bag could not export pulp wood, and upon which St. Maurice has already done some cutting.

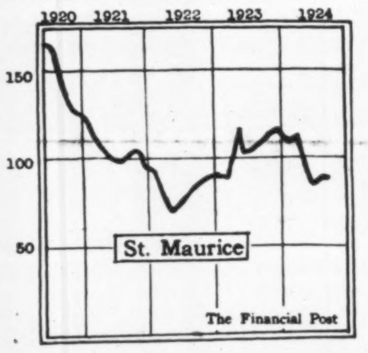
St. Maurice Paper has attracted a great deal of attention during the past year in a stock market way, due to discussions of a fusion of interests between this organization and the Laurentide that might take the shape of a direct purchase of St. Maurice by Laurentide. St. Maurice is controlled by one of the big three in the United States paper industry, the Union Bag and Paper Company, and because of its exceptionally large and well located timber limits is a very valuable asset for that company through supply of pulp as raw material. This is a stumbling block in the way of such a merger.

St. Maurice has a daily newsprint production of 115 tons. soon to be enlarged, but it ships also a good deal of pulp. Its sulphate or kraft pulp is sold to its parent company for manufacture into bags.

The stock has not ordinarily been widely traded in, but has given an excellent account of itself from an investment standpoint.

PRODUCTION AND FINANCES

Pulpwood Supply. — The company's timber limits are among the strongest. A total of 1,253,930 acres are held under license, not including extensive holdings recently purchased.



Properties include from saw mills throughout Quebec and pulp and paper mill at Cap Magdeline, Three Rivers.

Production includes up to 20,000,000 board feet of lumber yearly; and 115 tons of newsprint paper; 60 tons of sulphite, 192 tons of groundwood, and 65 tons of sulphite daily. This capacity is now being enlarged.

Capitalization—	Authorized	Outst'd'g.
Stock	$10,000,000	$8,149,900

Funded Debt —
None.

Dividend Record—
Initial dividend of 1¼ per cent. paid Dec., 1918; May, 1919, to May, 1920, 1¼ per cent. each quarter; Aug., 1920, to Nov., 1921, 2 per cent. quarterly; 1922, 5 per cent.; March, 1923, 1¼ per cent.; June, 1923, 1½, which rate has been paid since. A stock dividend of 30 per cent. was paid April, 1920, and a special dividend of 5 per cent. was paid May, 1920.

Officers and Directors—
Officers—M. B. Wallace, president; C. R. McMillen, E. B. Murray, vice-presidents; H. F. Smith, secretary; J. P. MacLaurin, assistant secretary; G. S. Rorke, treasurer; J. Wohnseidler, assistant treasurer; T. A. Wark, general superintendent.

Directors.—M. B. Wallace, C. R. MacMillen, E. B. Murray, T. M. Day, R. M. Smith.

Market Record—

Year	High	Low
1920	158	124
1921	121	80
1922	95	70
1923	114½	88½
1924 to		

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Oper. profits ...	$ 1,168,488	$ 1,418,805	*$2,976,637	$ 1,046,679	$ 696,594	$ 1,253,431
Deprec. etc.	332,185	426,030	363,296	339,950	251,518	213,377
Contingent	....	....	800,000	....	....	....
Tax reserve, etc.	100.000	100.000	....	....	....	....
Discount	22,500	22,500	....	....	....	....
Written off	14,933	14,933	....	....	....	....
Interest	136,570	138,417	43,353	....	....	....
Dividends	62,500	187,500	**788,777	631.992	394,995	849,239
Off Inventory ..	....	....	......	703,241	....	....
Surplus	$ 499.800	$ 529.425	$ 981.211	†628.504	$50.081	$190.819
Rate of earnings	11.24	14.34	$22.41	$ 0.04	$ 5.63	$ 12.25

*Includes $536,387 miscellaneous income.
**Stock dividend amounting to $1,512,900 not included.
†Deficit.

Canadian Paper's Big Market Is in States

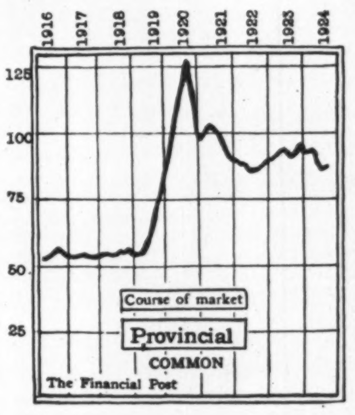
Back in 1913, before the war, the United States imported only one-seventh of the newsprint paper it consumed. After the war the figure ran to about one-third. Now just short of one-half of the newsprint used in the United States is imported.

Consumption of newsprint paper in the United States has been steadily rising. Newspapers print much larger editions than ever before; Sunday editions have achieved an amazing popularity and have a tremendous advertising appeal. During this present year advertising has appeared in American newspapers in greater volume than ever before, even exceeding the records piled up during the hectic years of 1919 and 1920. Larger advertising lineage has required larger papers to carry it, and, in addition, circulations of newspapers have advanced. It has been beyond the capacity of United States newsprint mills to supply the larger quantity of newsprint required by the newspapers of that country. The daily production of American newsprint mills has increased only about ten per cent. since the end of the war. Canadian newsprint mills, on the other hand, have increased their output 60 per cent. in that period. And so American newspapers have had to turn to Canadian mills for their supply of paper.

Canada has the water powers; the pulpwood supply; the experienced labor. Canada has the upper hand in the newsprint situation, and is more likely to establish its position still further than it is to go back. Soon Canadian mills will have the absolute leadership in production.

Provincial Paper Profits Should Benefit by Decline in Costs

Company Has Started Year Well With First Two Months Equal to First Half of 1923—Pt. Arthur Plant to be Enlarged



Earnings of Provincial Paper Mills this year should show a material gain over 1923. There are several reasons for this. The profits from the old operations in the early part of last year were small, while at the same time the new mill at Port Arthur was being tuned up, and it showed a loss. The second half of the year was better, producing three-quarters of the profits of the year. As the year drew to a close, affairs straightened out so well that in the two months of January and February the company was able to show a profit equal to the first half of 1923. This is an indication that the present year will see the company's profits continuing to grow. In this regard, improvement in markets will not be such an important factor as the decline in manufacturing costs.

In the manufacture of fine book, bond, writing and coarser papers, Provincial Paper leads the way in the Dominion. Its capacity in these lines is 100 tons, and, in addition, it turns out 60 tons of sulphite and about 20 tons of groundwood pulp daily.

Four different plants are operated and they are strategically located to the company's markets, being at Mille Roche Que., Thorold and Georgetown, Ont., and the latest at Port Arthur.

The Port Arthur plant, where one machine was started in 1923, and where a second will not be long in starting, the company secured by taking over the Port Arthur Pulp and Paper Co. The company is well supplied with raw material, the Nipigon Limit at Port Arthur totalling 1,200 acres.

Profit and Loss—

	1918	1919	1920	1921	1922	1923
Net profits	$ 404,142	$ 423,569	$ 1,248,140	$ 761,395	$ 763,961	$ 503,322
Interest	2,365	6,160	28,237	33,550	55,787	92,639
Depreciation . .	75,000	75,000	200,000	150,000	150,000	230,000
Other deduct. ..	14,660	......	10,000	60,000	70,000	20,000
Pref. divids. ...	119,000	119,000	119,000	119,000	119,000	119,000
Com. divds.	80,000	90,000	257,500	245,000	245,000	210,000
Surplus	$ 113,117	$ 133,409	$ 633,403	$ 153,845	$ 124,174	*$ 168,317
Rate % earned com.	9.65	11.17	27.68	11.39	8.32	1.2%

*Deficit.

PRODUCTION AND FINANCES

Timber Supply.—Company controls by lease 1,224 square miles of timber limits on the north shore of Lake Superior

Properties.—Include mills at Mille Roche, Thorold, Georgetown and Port Arthur, Ont. The additional mill at Port Arthur was completed during the past year to house two paper machines, of which one 146 inch machine was brought into operation this year.

Production.—In combined output the Provincial Paper Mills, Limited, is the largest manufacturer and distributor in Canada of book, bond, writing and coated papers covering a widely diversified range and used in the manufacture of books, magazines, catalogues, trade journals, newspaper supplements and stationery. The plants, including the new Port Arthur mill, have an aggregate output of about 100 tons of varied papers, 60 tons of sulphite and 15 to 20 tons of ground wood per day.

Capitalization—	Authorized	Outst'd'g
Common	$7,000,000	$3,500,000
7% cum. pref. .	2,400,000	1,700,000
Funded Debt—		
First gold 6% due 1940	3,000,000	1,105,000

Dividend Record—
Dividends on preferred stock of present and predecessor companies regularly paid quarterly. On common stock of the former company 4 per cent. per annum was paid in 1917, 1918 and 1919; Jan. and April, 1920, 1½ per cent. each; July, 1920, present company, to date, 1½ per cent. quarterly. Extra dividends of 1 per cent. each were paid Oct., 1920, Jan. and April, 1921, and Jan., 1923.

Officers and Directors—
Officers.—I. H. Weldon, president; T. A. Weldon, vice-president; S. F. Duncan, secretary-treasurer.

Directors.—Above officers and Alex. Fasken, S. B. Monroe, A. B. Connable, C. A. Peck, C. S. Campbell, Sir Chas. Gordon, K.C.B.E.

Market Record—

	Common		Preferred	
Year	High	Low	High	Low
1916	57	56	..	..
1917	51¾	50	81	78
1918	49	46	78	78
1919	85	51	90	85
1920	130½	81	88	87
1921	102	87¾	87¾	82
1922	88½	80	95	80
1923	92½	83	98	92

Credit Chinaman With Invention of Paper

To a Chinese eunuch Ts'ai-lun, of China, is given the credit of producing the first sheet of paper. He was connected with the court of the Hau dynasty in the year 75 A.D. Ts'ai-lun, believing that old bamboo tablets and stylus had outlived their usefulness, set for himself the task of making new writing materials. After 30 years he produced the first hand sheet of paper, and it was made from the bark of a mulberry tree.

Prior to Ts'ai-lun's day, leaves of trees and various barks, used in the crude form, had served the Egyptians, Romans, and other nations, as paper. Ts'ai-lun, however, did not use the crude inner bark of the tree as the final material on which to make his records. He did use the bark, but merely as a raw material from which he produced a finished sheet of paper by a series of processes which, crude as they may seem now were the forerunners of paper manufacture to-day. Ts'ai-lun was raised to the rank of Marquis for his discovery.

FRASER COMPANIES PROFITS MAINTAINED

Big Year in Lumber Offset Bad Conditions in Sulphite Industry

Diversity of the Fraser Companies' output has enabled them to show fairly consistent earnings, and while prices sagged somewhat in the pulp business, they were able during the past year to take full advantage of the favorable lath market while it existed and also of the generally favorable conditions of the lumber business.

Financing a couple of years ago placed the Fraser Companies in an excellent working capital position which has been maintained in the face of heavy depreciation charges and write-offs of inventory. This company, which is a large operator in the lumber business in Eastern Quebec and New Brunswick, operates two sulphite pulp mills in the latter province. The stock is not widely held but there is a broad distribution of both the first mortgage and the general mortgage bonds. The general mortgage bond issue is authorized to the amount of $10.000.000, allowing ample scope for financing of future extensions of the company's activities.

The president, Archibald Fraser forecast in his report: "Present indications lead to the anticipation that lumber business for the current year will continue to be good. With regard to sulphite pulp, the immediate future is rather more obscure—the market situation on this continent being governed to a very considerable extent by the trend of political and economic conditions abroad."

Profit and Loss—

Net profit	$1,001,460	$804,614	†*1,364,4
	1921	1922	1923
Bond int.	199,227	260,750	249,350
Other int. ...	333,873	221.247	201.397
Depreciation ..	445.572	209,455	220.495
Depletion	235,463	57,840	183,831
Disc. on sec...	31,500	31,500	31,500
Taxes	249.463	5,205	......
Invent. dep. ..	1,000,000	270,000	......
Balance	*$1,493,639	*$259,383	$ 477,894
Bal. forward.	2,276,781	783,142	523,759
P. & L. bal...	$ 783.142	$523,759	$1,001,653

* Deficit. † After taxes.

Timber Supply.—Company holds 1,822 square miles leasehold and 210 square miles freehold timber limits, estimated to contain 4,650,000 cords pulpwood. Company also has cutting rights on 900 square miles privately owned land.

Production includes, in addition to lumber, 54,000 tons annually of bleached sulphite pulp and 18,000 tons of easy bleaching sulphite pulp.

Capitalization—	Authorized	Outst'd'g
Capital stock	$10,000,000	$10,000,000

Funded Debt—

6% 1st mtge. bonds	$1,500,000
8% gen. mtge. bonds	2,000,000

Officers and Directors—
Archibald Fraser, president; Donald Fraser, vice-president; A. W. Brebner, treasurer; W. Matheson, secretary and Thos. Matheson, all of Edmundston, N.B., and W. C. Pitfield of Montreal.

Fourdrinier Wires

■ ■

Cylinder Covers
All kinds of Wire Cloth for Paper Mills
Dandy Rolls

■

The Johnson Wire Works
(Limited)
St. Henry, Montreal

Charles Walmsley & Co.
(CANADA) LIMITED

Manufacturers of High Grade

Pulp and Paper Mill Equipment

Our Longueuil plant is established and fully equipped to produce the largest type of paper making machines and to serve the Canadian Pulp and Paper mills.

The investment that we have made in Canada is evidence of our good faith and of our belief in the future of the pulp and paper industry.

Our capacity to serve is demonstrated by the performance of our products.

109.9 TONS

Higher Production per unit is our aim

"On June twenty-fifth last, No. 6 machine trimming 217½ inches, 32 pound basis weight newsprint, running at an average speed of 827 feet per minute, made an actual production of 109.9 tons, of a possible 114.5 tons (96.5% efficiency) losing six minutes for two breaks in the twenty-four hours."

Lower Producing Cost is the result

Office:
Montreal, P.Q.

Works:
Longueuil, P.Q.

What Destroys Our Pulpwood? Wanton Waste or Exportation?

PLAUSIBLE generalities, skillfully assembled, with the object of impressing on the public that those who operate in Pulpwood for export are the chief destroyers of our forest wealth, have given rise to such misconceptions in respect to the Pulpwood industry that the Canadian Pulpwood Association feels that the accompanying cuts, illustrative of a typical portable sawmill operation and a typical pulpwood operation of similar size as conducted in the Province of Nova Scotia, will be of interest.

Cuts 1 to 5 illustrate not only the appalling waste, but the frightful fire hazard left behind from a typical completed portable mill operation in Nova Scotia. (The abandoned logs and tops shown in these pictures are all sound Spruce and are lying within a stone's throw of the main road.)

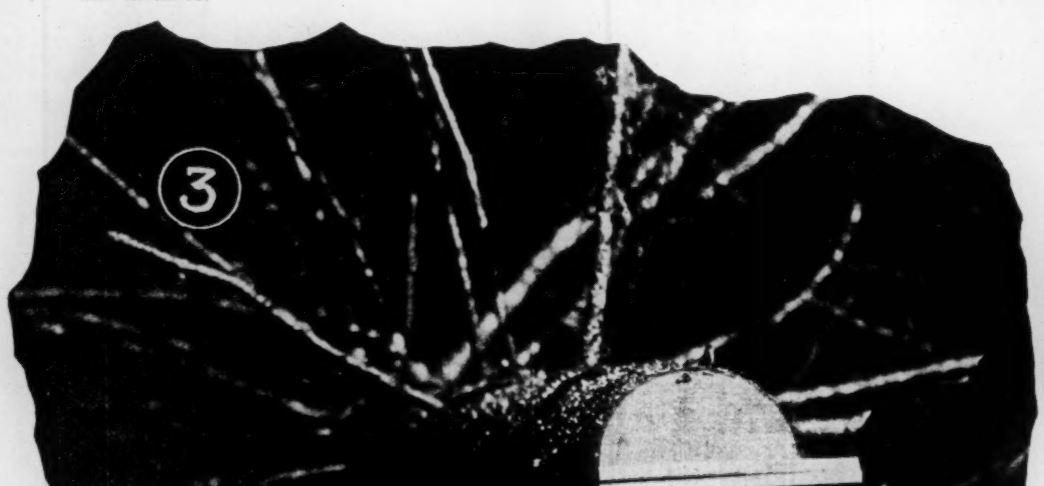
This shows a top of 10 inches in diameter, 25 feet long to where it would cut off 4 inches in diameter. There were scores of such tops left on this particular operation. Not only would a pulpwood operation have turned all this wood into saleable product, but the slash left behind would have been flat on the ground, providing far less fire hazard.

More of what might be merchantable Pulpwood abandoned at the site.

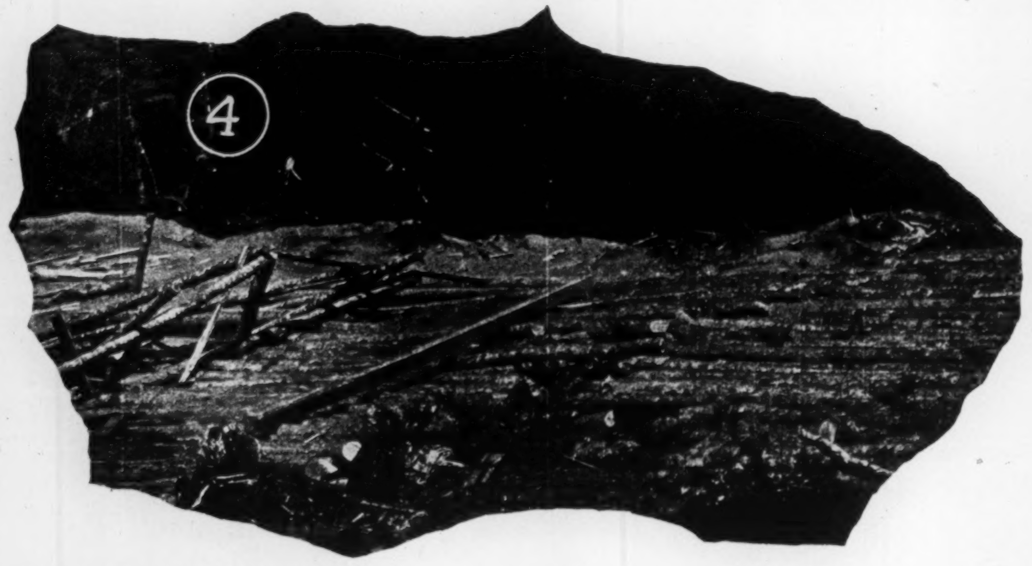
Suppose we take the average annual lumber cut of Nova Scotia to be 250,000,000 feet (this is a very rough estimate, but it is undoubtedly a safe one). It is generally admitted that 80% of this cut is produced by small or portable mills, of which there are probably at least three or four hundred in operation each year. Is it any wonder that the Pulpwood operator who is taking out of every log that he fells, the maximum of merchantable product, should contend that there can be no justification for prohibiting him from selling in the United States what his neighbor wantonly wastes?

The following illustrations, 6 to 11 inclusive, show sap-peeled pulpwood in process of shipment from an operation similar in size to that of the ordinary portable sawmill, and what will be evident to the most casual reader is that what the sawmill owner left behind to rot and form a fire hazard, is here being turned into dollars and cents. Competent observers with years of practical experience in both portable mill and pulpwood operations are unanimous in the opinion, that per common unit of measurement there is a greater distribution of money for labor in the community in which the operation is carried on in the case of a sap-peeled pulpwood operation than in the case of the ordinary small or portable sawmill operation.

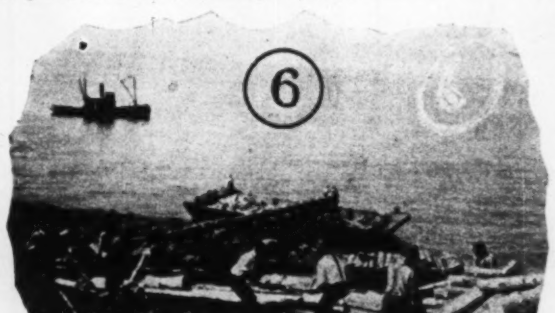
This shows another top, of which there were hundreds left behind, measuring 10 feet long to where it would cut off 4 inches in diameter. The same comments applicable to illustration No. 1 apply in this instance.



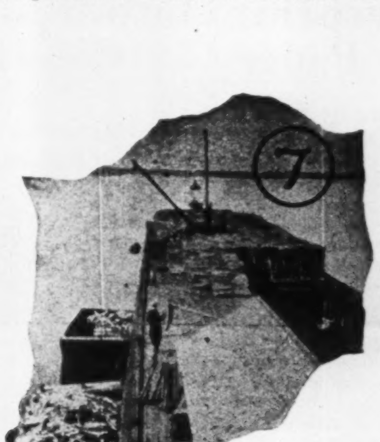
A picture of another top of about the same size as that illustrated in No. 1. Apart altogether from the economic loss involved in leaving sound wood like this to rot, it is not difficult to visualize the start that a fire would get in a spot like this.



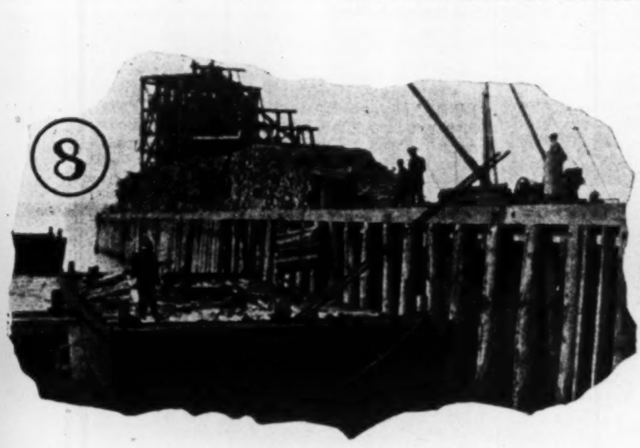
A cord or two of Pulpwood thrown away. Poles used for a little bit of corduroy work along side of the mill site, perfectly sound, but left to rot.

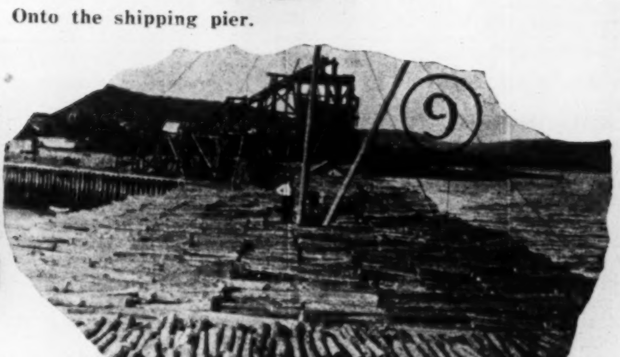


From the shore to the scow.



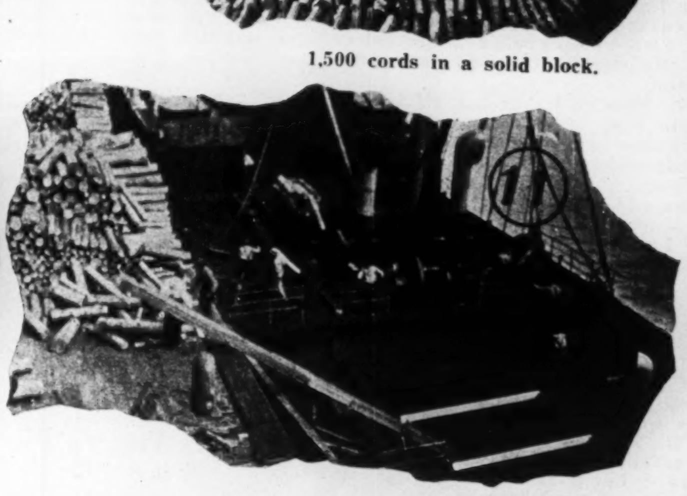
Onto the shipping pier.





1,500 cords in a solid block.

Onto the steamer at the rate of 250 cords a day.



The Canadian Pulpwood Association is an organization of aggressive Canadian citizens who believe in their right to sell their product in the best markets of the world. The agitator for an Embargo on Pulpwood—a Pulpmill Proprietor—implores the Government to enact legislation that will close all foreign markets to the Canadian producer of wood and put him completely at the mercy of the Canadian Mills.

The pulpwood operator who ships his wood to the United States is no less patriotic, is just as much of an asset to the Community, and is just as deserving of encouragement and support as the lumber operator who sells his product in the same country. Can there be any justification for restrictions on the Pulpwood trade on the ground of either conservation or National economy so long as one owner may wantonly destroy and waste what another owner by labor and thrift turns into saleable product?

CANADIAN PULPWOOD ASSOCIATION

EXECUTIVE COMMITTEE

President:
Angus McLean, Bathurst Company, Ltd., Bathurst, N.B.
Vice-Presidents:
A. G. Auger, of Auger & Son, Ltd., Quebec, P.Q.
James Thompson, of Thompson & Heyland Lumber Co., Ltd., Toronto, Ont.
Ralph P. Bell, Halifax, Nova Scotia.

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W. Roy Smith, Annapolis, N.S.

Temporary Address: Post Office Box 1081, Halifax, Nova Scotia.

USE OF NEWSPRINT SHOULD CONTINUE LINE OF INCREASE

A Careful Study of Possible Trend of Consumption From Now On

TABLOID PAPERS

These Are Viewed With Alarm by Some Publishers—But Haven't They Tapped New Field of Readers

NEW YORK.—That many American manufacturing industries are over-built is a statement often encountered in financial circles nowadays. Usually the statement is made in attempting to explain the industrial depression which now holds most of the North American continent in its grip; at times it is used to justify further American financial aid to Europe. But whatever the purpose for which this statement is made, the opinion is apparently held by men of such importance in the world of commerce and finance that it commands respect for this reason if for no other.

While a number of the larger American industries have lately been discussed rather freely from this point of view, it was not until the new president of the International Paper Company came out with the statement that the newsprint industry of the North American continent was suffering from the effects of overproduction that it occurred to pulp and paper men that possibly their industry was overbuilt. The consumption of paper in the United States had been moving so steadily upward for years, that it was quite unthinkable to them that their own industry had reached a point where it was turning out more paper than its market could consume. For after all is said, that is what an "overbuilt condition" in a manufacturing industry signifies, too much plant too much productive power in relation to consumptive power.

International Started Curtailment

The statement that the paper industry was suffering from over-production coming as it did from the head of the world's largest producer of paper, has naturally attracted no little attention in the paper industry. Its effect was further strengthened by the fact that the International at once began the curtailment of production, and was followed by a number of the smaller producers. When it became more or less generally known that most of the larger Canadian producers had followed suit, students of the paper industry's future decided that it was about time to give a little thought to the question of overproduction.

And, as anyone at all familiar with sentiment in the paper industry, and more particularly that branch of it producing newsprint, will tell you, no little thought is being given to the question at the moment on the part of those directly responsible for the policies of the larger companies. The question is obviously one which must be settled one way or another before the future can be faced with any feeling of certainty. And settled it will no doubt be within the next few months by most of the American companies manufacturing newsprint.

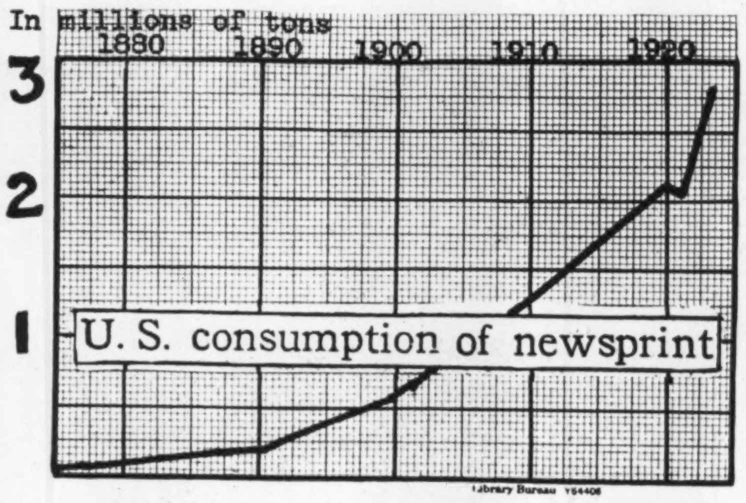
What Will Market Be?

At the moment it must be acknowledged that there is no unanimity of opinion as to the relation between the present productive power of the newsprint branch of the paper industry in relation to its market. Opinion appears to be divided, broadly speaking, into two camps. One section of opinion appears to believe that the curve of paper consumption in the United States will continue to mount steadily as it has done since the beginning of the present century. The other feels as certain that consumption has reached its peak; that from now on the curve of consumption will move steadily downward. Naturally those who hold the opinion that the consumption of newsprint will continue to increase feel that the overproduction of which the president of the International spoke the other day is a temporary condition; that as soon as business, generally, revives the surplus paper now stored in the warehouses of the publishers will be rapidly absorbed. They hold the opinion that pending construction in the paper industry is amply justified, when one considers the natural growth of the United States. Consumption of newsprint, they will tell you, is a million tons greater per annum than it was five years ago; why should not the same rate of increase continue during the next five years?

Is Change in Demand Coming?

Those who believe, on the other hand, that newsprint consumption has reached its peak, base their belief on a more ingenious line of argument. They believe that a continuance of the upward movement of the curve of consumption can be looked for only so long as the conditions of demand remain as they have been for the past five years. A change in these conditions, they claim, invalidates any theory based upon the history of recent years. They claim that such a change in demand is taking place, and that, therefore, theories regarding the future based upon the behaviour of the paper market in the recent past are untenable.

One of the chief reasons advanced by those who hold this opinion regarding the future demand for newsprint for thinking as they do, lies in the fact that the so-called tabloid newspaper has made phenomenal progress during the past year or so. The tabloid newspaper, it is contended, is the newspaper of the future; the present newspaper has reached its limit, so far as size is concerned. It is already too unwieldy; to increase its size still further would only make it more so.



The newspaper-reading public has taken so kindly during the past two years to the small-sized tabloid newspaper, like the Daily News of New York, that it is thought that the day of the big newspaper is definitely past. The Daily News has the largest circulation of any newspaper in America to-day. It has attained this circulation in little over five years. What better proof is needed that the public wants small newspapers?

Hearst and Macfadden

William Randolph Hearst, you will be told by the men who hold this opinion, has just started a tabloid newspaper; Bernard Macfadden will add another to the number of the newspapers published in New York City early in September. Hearst is one of the shrewdest newspaper publishers in the United States to-day, a pioneer in the popularization of the daily newspaper during the past two decades, and noted for his ability to gauge the newspaper demands of the populace well in advance of the more conservative publishers. Macfadden, you will be told by those who look for more tabloid newspapers, is the head of an organization which has made a remarkable success of the ten popular magazines it controls. His career, like that of Hearst, is surely proof enough of his ability to forecast the course of the newspaper market.

With three such successful publishers as the owners of the Chicago Tribune the owners of the Daily News, Hearst and Macfadden apparently on the side of the smaller newspaper, is there any room for further argument? Thus those who look for a smaller demand for newsprint.

But even the weighty names of McCormick, Hearst, and Macfadden, do not silence those who uphold the view that the consumption of newsprint will continue to increase during the next few years.

A Big City Proposition

Well, as any of those who believe the consumption of newsprint is to go on growing will tell you, the tabloid newspaper appeals largely to the more or less illiterate foreigner, who reads English with difficulty, if at all. He wants his news presented to him in the form of pictures, and short, simply-worded news items. The masses of type and lack of illustrations in the more orthodox newspapers literally terrify him; they are difficult to read. A slow and painful reader, he prefers the tabloid newspaper, with its scores of illustrations and its words of one syllable.

The tabloid newspaper has thus, according to those who regard its future as limited, a relatively small field in which to grow. With the progress of education, rapid Americanization and the limitation of immigration, its field will tend to shrink rather than to grow.

And so the debate goes on. It is difficult to say which of the two sections of opinion is right. Possibly they are both right. Possibly the tabloid newspaper has tapped a field hitherto untouched by the more sedate newspapers of the old school: possibly it has made newspaper buyers of persons who never before bought newspapers regularly. If this be the case, the predictions of the students of the newspaper who look for greater rather than less newsprint consumption are right, despite the tabloid newspaper.

Popular Magazine Market

There is another factor in the newsprint market which is often overlooked by those who are discussing the future of newsprint demand. That factor is the popular magazine which uses standard newsprint. There are to-day scores of such magazines in the United States, and their number is growing rapidly. Collectively they form a large and growing market for paper, a market which a few years back was virtually non-existent.

Further, it is undoubtedly a mistake to think that no market for newsprint exists outside the publishing industries of the United States. As almost any paper salesman will tell you, new uses are being discovered for newsprint almost daily: many of these new uses develop in time markets of surprising dimensions.

Everything considered, the weight of argument apparently favors those who look for a continuance of the rise in the curve of consumption. The burden of proof to the contrary rests on the shoulders of the pessimists.

Twenty-Nine Million Newspapers Each Day

It takes 50,000 h.p. and over a million gallons of water to manufacture the 500 tons of newsprint that are used in an average edition of the Chicago Sunday Tribune. That is just for one day's edition of one newspaper. Every day of the year there are twenty-nine million daily papers printed and consumed in the United States alone. This does not include the thousands of weekly newspapers which total many million copies each week.

DONNACONA PAPER COMPLETES NEW UNIT

Is Now Producing About 60,000 Tons Per Year of Newsprint Paper

Donnacona has now its new newsprint machine in operation, and is producing something like 60,000 tons of paper per annum. This enables the company to use all of the sulphite pulp it produces, and thus to make more effective use, from a profit standpoint, of its production of pulps.

There is not much Canadian interest in the stock of the company, for its shares are largely held in New York State. But Canadians have a distinct investment in the organization because bonds to the amount of about $3,000,000 are outstanding, and have been sold chiefly to Canadian investors.

CAPITALIZATION

	Outstanding
Common shares	$1,500,000
7% pref.	1,796,000
Bonded Indebtedness	
6% 1st mtge., due 1940	$2,955,500

Dividends—Common is now on basis of 8% annually.

Pulpwood Supply—Company controls freehold and leasehold timber lands, situated adjacent to the Jacques Cartier and St. Lawrence Rivers, aggregating 595,440 acres and containing 4,525,000 cords of pulpwood.

Mills — Are located at Donnacona, Quebec, at the meeting of the St. Lawrence and Jacques Cartier Rivers. Company develops own water power to the amount of 7,000 h.p. out of 24,000 h.p. controlled.

Production — Totals 42,000 tons of groundwood pulp; 18,000 tons of news sulphite pulp and 60,000 tons of newsprint paper.

Officers—Harry P. Gould, president; Francis K. Kerman, vice-president; Chas. B. Rogers, secretary-treasurer; Robt. P. Kerman, 2nd vice-president; Cone Barlow, mill manager; W. M. Dickinson, superintendent.

Profits—In 1922 profits were $414,240. From this is deducted $88,827, adjustment for taxes, and $196,427 was written off the wood pile, bringing this down to present prices. After payment of bond interest and dividends the balance carried forward into 1923 was $676,103 as against $907,153 at the beginning of 1923.

Earnings of Wayagamack Co. are Well Maintained on Bad Market

World Conditions in Kraft Paper Industry Go Against Canada's Leader in This Field of Paper Production

Wayagamack has managed to maintain its output and its earnings during the past year at about the level of the previous year. This it has done in spite of the very unsatisfactory conditions throughout the world in the kraft pulp and paper industry. The difficulty in the way of kraft paper companies has been the fact that Europe has not been purchasing its normal supplies, and, as a result, the northern European paper mills have thrown their products on the markets of the world at cut prices.

That Wayagamack has been able to maintain a satisfactory earning position at all under the circumstances is something of an achievement, and when conditions are better in Europe and improved markets for kraft pulp and paper are found throughout the world, Wayagamack should be able to reap substantial benefits.

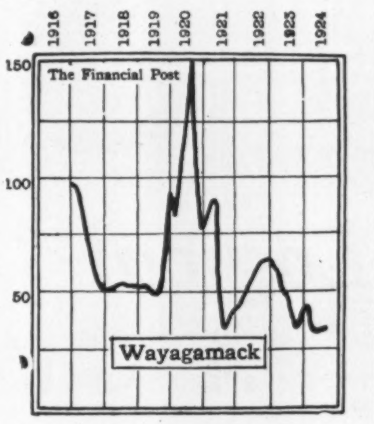
The company is the largest manufacturer of sulphate pulp and kraft wrapping paper in the world. The company's growth has been steady, and is largely the result of reinvestment of profits in the business. The products are shipped all over the world; Wayagamack has an extensive export business, and about half of its total production is for foreign countries. During the past year further extension of this business was expected, and Wayagamack sent its own representative to France, where there is the possibility of a good business being developed.

The company's production of pulp, when not used for its own paper, is largely shipped to the United States, where it enters duty free. There is a tariff against wrapping paper entering the United States, and for that reason export markets in paper are farther removed than the market for pulp.

The company now sells a large part of its sulphate pulp production but it is a logical development that all the pulp produced will eventually be manufactured into paper, the final product within the organization. This is an ideal to strive for, and is likely to be achieved in time as Wayagamack's foreign and home markets develop.

The company has great natural advantages. It has a river channel—the St. Maurice—to bring down logs, and another river channel—the St. Lawrence—capable of accommodating ocean vessels to take away the finished product. It has an excellent pulpwood and power supply and a record of steady growth on the 50-ton mill in 1913 to its present capacity.

Wayagamack is a company that Canada may well be proud of, and a company whose shares are not without very interesting possibilities.



PRODUCTION AND FINANCES

Pulpwood Supply.—The company holds under crown license 2,056 square miles of well located timber limits, estimated to contain sufficient pulpwood for all future operations.

Mills are located at Three Rivers, Quebec, with docks for ocean going vessels.

Production.—260 tons sulphate kraft pulp, 125 tons glazed and unglazed wrapping paper daily. The company also produces 20,000,000 feet B.M. of lumber yearly.

Capitalization—	Authorized	Outst'd'g
Capital stock ..	$5,000,000	$5,000,000
Funded Debt—		
1st mtge. bonds 6%, due 1951		$4,580,500

Dividend Record—

Initial dividend of 1 per cent. paid March, 1920; June, 1920, 1 per cent.; Sept., 1920, to June, 1921, inclusive, 1½ per cent. each quarter, none since.

Officers and Directors—

Officers.—C. R. Whitehead, president and general manager; Jas. W. Pyke, vice-president; F. I. Ritchie, manager; George Henderson, comptroller; E. L. Wilson, secretary; D. L. Adams, treasurer; R. Collins, general superintendent.

Directors.—C. R. Whitehead, J. W. Pyke, Hugh Mackay, K.C., G. H. Duggan, Alex. Maclaren, Sir Wm. Price, N. J. Dawes.

Market Record—	High	Low
1912	40½	28
1913	38¾	21
1914	32½	21
1915	26½	26
1916	112⅛	27
1917	97	50
1918	55	50
1919	90	45
1920	150¼	71
1921	89	27
1922	65½	34
1923	61¼	32
1924 to		

Profit and Loss—	1918	1919	1920	1921	1922	1923
Net income	$ 1,057,742	$ 1,103,687	$ 2,152,707	*$ 156,712	$ 372,030	$ 893,396
Bond interest ..	208,980	210,000	210,000	210,000	260,854	300,000
Bond discount ..	10,000	10,000	10,000	10,000	10,000	10,000
Depreciation .. .	160,000	160,000	160,000	160,000	160,000	160,000
Stumpages	134,726	172,105	297,900	120,928	50,068	217,140
Resources	500,000	500,000	366,000	....	....	....
Dividends	....	....	250,000	150,000	....	....
Surplus	$ 44,036	$ 51,587	$ 858,807	†$ 807,640	†$ 108,892	$ 206,356

*Loss.

CANADA BIG SOURCE U. S. PAPER IMPORTS

Most of That Country's Newsprint and Much of Its Pulp Goes From Canada

Canada is the chief source of supply for American pulp and paper. The United States has an unfavorable balance of trade in pulp and paper of many millions of dollars which compares with a favorable balance of trade in Canada.

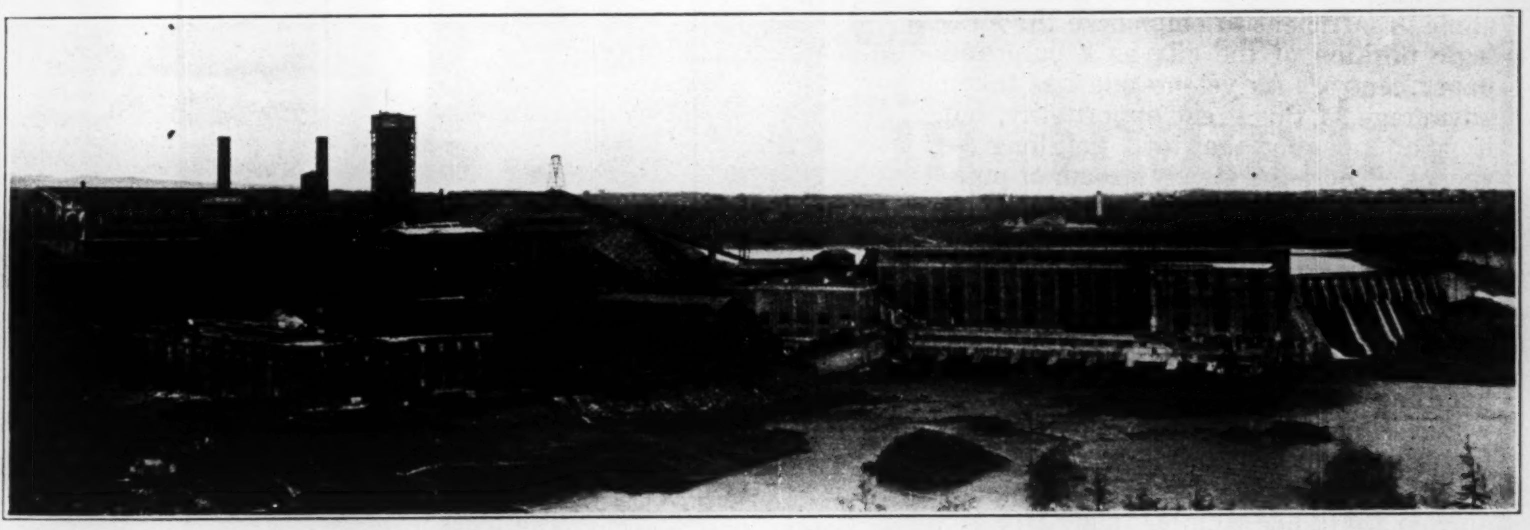
Canada supplies the United States chiefly with newsprint paper and with various grades of pulp. We do not ship many other kinds of paper because of the high tariff in that country. On the other hand, in writing paper, bond paper, book paper, etc., Canada imports a certain amount of these products from the United States.

During the twelve months ending June last the United States imported a total of $119,000,000 of paper which was a gain of $16,000,000 over the value of paper imported during the same period ending June, 1923.

United States imported 1,350,000 tons of newsprint paper, a gain of 160 000 tons. Canada supplied the largest quantity of this. Canada's shipments of newsprint paper to the United States amounted to 1,200,000 tons.

Canada met with more competition in supplying the various grades of pulp to the United States. Large importations of groundwood pulp amounted to 233,000 tons, a very large percentage of it from Canada. Importations of chemical pulp included 300 000 tons from Canada, 215,000 tons from Sweden, 54,000 tons from Finland and 52,000 tons from Norway.

A number of American paper manufacturers are worried about the situation and are asking for duties on paper that now enter the United States duty free, and for larger duties on those that are at present protected. They point to the large increases in imports of paper and to declines in American exports of paper to such countries as Canada, Mexico, Cuba, Argentina, Brazil, etc.


One of Quebec's big Paper Mills effectively using Quebec's water power and timber resources.

Pulp and Paper Possibilities *of the* Province of QUEBEC

The Past

ALTHOUGH Quebec's first paper mill was established as early as 1803 yet it is only during the past 35 years that the industry has made the quick progress which has so signalized this industry.

In early days an imperfect knowledge of the vast forest wealth of the Province retarded expansion; at this time, too, the pine was reserved for naval purposes only.

Gradually knowledge has been promulgated to the investor with the result that new and thriving towns have sprung up in proximity to this immense forest wealth. Towns such as Shawinigan, Bromptonville, La Tuque, Grand' Mere, Windsor Mills, Chicoutimi, Clark City and many others which a few years ago were not even hamlets have now become monuments which show clearly to the investor the rewards that will come through the legitimate investment of capital in Quebec's forest resources.

The Present

To-day Quebec is the leader of all the provinces in the forest development. Of the 104 pulp and paper plants in Canada, no less than 54 are situated in this province, representing a total of invested capital of $195,000,000.

Both in the number of men employed and in production, Quebec leads the provinces with a production of 1,088,205 tons, which requires the employment of 13,000 men.

Fortunate in its large resources and its proximity to the market, Quebec is well equipped to maintain its leadership in this field.

The Future

Many hydro-electric operations in course of construction in the northern portions of the province will ensure sufficient power for new development. Forest reserves in many parts of the world have been, and gradually will be depleted. The possibility of developing an export trade, and the establishment of new mills during the past year all point the way to a steady and healthy growth in the industry for many years to come. In the meantime, the province is taking steps to ensure a proper conservation of its forests.

The Work of the Department of Lands and Forests

Daily the Department of Lands and Forests is giving the closest co-operation to those who are developing and to those about to develop the forests.

With forests covering more than 130 million acres with a value of well over a billion dollars, capital is being invested daily.

With the object of conserving the forests, the Government's forestry department ensures that lease holders maintain certain trees for regeneration purposes, maintains an organization for reducing fire loss to a minimum, and enforces rules with regard to burning brush, etc.

These regulations are as much a help to the operating companies as they are to the province with the result that capital investment is in no way hindered.

For Information write HON. HONORE MERCIER, Minister of Lands and Forests, QUEBEC

The Finest Natural Harbor on the Continent

SOREL

Direct Water Communication with Canadian and Foreign Ports

The Logical Location for Pulp and Paper Mills
A Gateway to Industrial Success

Location an Assurance of Success

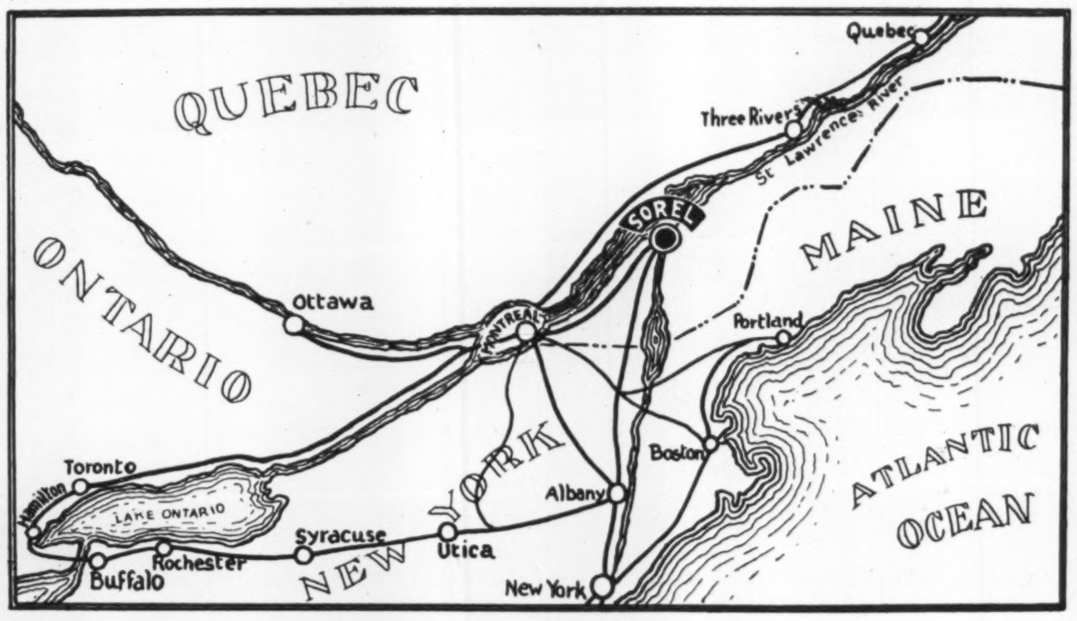
THE City of Sorel is so advantageously located that its success as a manufacturing centre is assured. This is amply evidenced by the fact of the present success of the numerous strong industries already located there. There is a sound reason for this belief also in the magnificent transportation facilities that open the doors of the world's markets to the manufacturers located here. Possessing what is generally considered to be the finest harbor on the continent, located at the juncture of the St. Lawrence and Richelieu Rivers, with all the Great Lakes ports serving as an open doorway to the trade of Canada, and with the broad St. Lawrence as an open highway to the world's trade, Sorel has an almost matchless manufacturing location. Business here is assured of cheap water transportation, while the Quebec, Montreal and Southern Railway links it by land with the great centres of consumption both in Canada and the United States, by its connections with various Canadian and American lines, while the line's railway itself radiates from this centre.

Sorel is rapidly becoming the greatest transhipment point for pulpwood in the Dominion. During 1923, 24,000 cords were handled through the port. This fact alone is sufficient to emphasize the strategic position of the city as a pulp and paper centre. As yet no one has taken advantage of this great opportunity, but it is an opening that will not long be vacant. There is a steady stream of pulpwood passing through this port for shipment to American and European ports and there is no doubt that there would be an equally generous demand for pulp manufactured here.

Sorel's deep water harbor, capable of handling boats drawing thirty feet of water, is a marvelous advantage to manufacturing industry.

Another factor that is of great importance is the labor supply. This city has been singularly free from any labor disturbance. At the same time there is an ample supply of labor available at reasonable wages. Much of this labor is highly skilled, and the workers themselves are interested in and have a real stake in the community.

Sorel offers industrial concerns many advantages. Suitable land has been laid aside for factory sites and this is available at moderate terms, while the city also exempts manufacturing concerns from taxation under certain conditions. Power resources are ample and moderate in price.



Map showing the general location of Sorel.

J. W. Robidoux, M.D.,
Mayor of Sorel.

J. E. Beaubien,
Industrial Commissioner.

THESE THRIVING FIRMS ARE LOCATED HERE

- Sincennes-McNaughton Tug Lines
- James Sheppard and Sons
- Canada Steamship Lines Shipyard
- Popular Shirt Company
- Manseau Shipyards
- Beauchemin and Sons
- Sorel Mechanical Shops
- Beauchemin and Company
- Loughborough Mining Company
- Sorel Light, Heat and Power Co.
- Duhamel Brothers
- Sorel Broom Company
- Canadian Government Shipyards

THESE OPPORTUNITIES ARE OPENING TO AGGRESSIVE MANUFACTURERS

By reason of its physical location near to the marvelous forest reserves of the province of Quebec, and also because of its matchless shipping facilities both by land and water, Sorel offers an unusual opportunity to the pulp and paper industry, and Sorel would also offer every assistance to an industry of the kind.

There are also properties with buildings suitable for a machine shop.

Rolling mills or smelter for heavy iron manufacture.

Shoe manufacturing.

Sash and door or any woodworking industry.

Foundry or textile, silk or cotton mill.
Anyone interested should write or wire

J. E. BEAUBIEN,
Industrial Commissioner.

A City with Modern Facilities to Offer its Citizens

THE location of the City of Sorel at the juncture of the St. Lawrence and Richelieu Rivers, is ideal both for business and home conditions. The city itself is an attractive place with beautiful homes, parks, playgrounds and every modern convenience. Its population of 9,000 comprises some of the most skilled workmen in Canada. Wages are reasonable and labor conditions are exceptionally agreeable.

As a business city Sorel occupies a very enviable position. Among its business men failures have been unknown. The city is served by three banks. It has a number of splendid churches and public buildings and its public services are exceptionally good. Its fire protection system is especially notable for its efficiency.

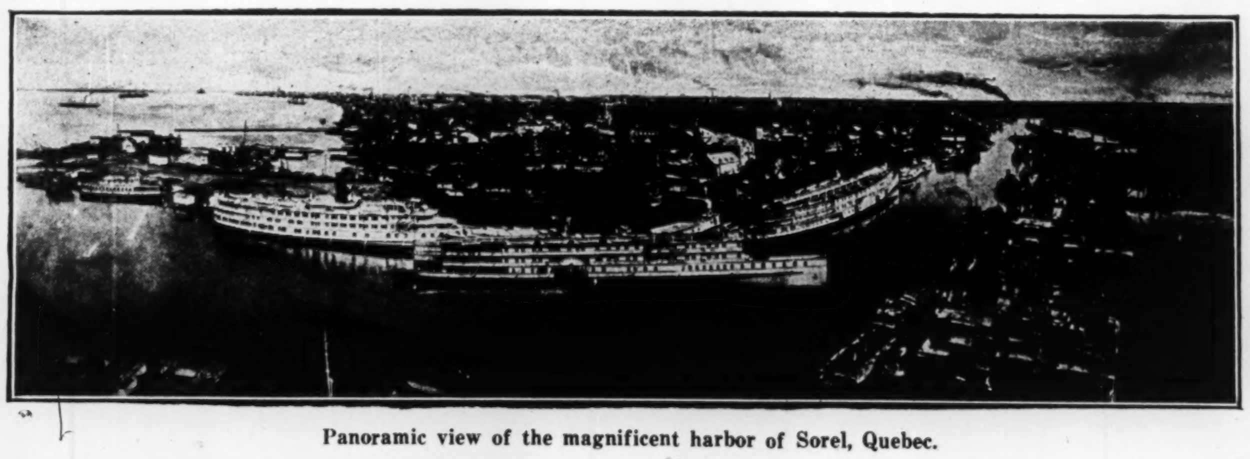
From an educational standpoint the city can boast exceptional advantages. It is well provided with elementary schools, both Protestant and Catholic, while it has several academies and colleges devoted to higher education. There is also a night school that gives engineering instruction.

The beauty of its situation and its nearness to Lake St. Peter has made Sorel a centre of aquatic sports. This and the many summer places along the shore, have given the city a reputation as a summer resort that is growing with every year.

The city is also peculiarly blessed in its surroundings. All about it lie the fertile farm lands of the St. Lawrence and Richelieu Valleys. This large and prosperous farm population looks to Sorel as the natural centre not only of marketing but of buying, so that the commercial prosperity of the city is assured. But undoubtedly the future of the city lies along manufacturing lines, and its many advantages conferred by nature, and the additional assistance so generously offered by the city, are an assurance of a speedy and lasting growth that will rapidly make Sorel one of the most influential of manufacturing centres.

The Mayor and Council of Sorel

Mayor: J. W. Robidoux, M.D.
Council:
Aldermen J. A. Turcotte
J. E. Champoux
Arthur Boucher
Albert Deserres
Jos. Cotnoir
Industrial Commissioner:
J. E. Beaubien
City Clerk: A. O. Cartier



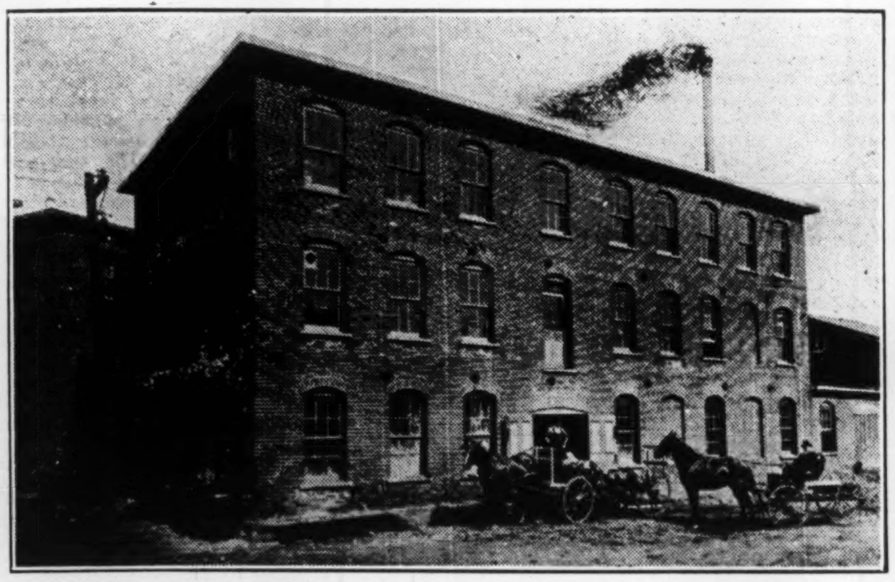
Panoramic view of the magnificent harbor of Sorel, Quebec.

Officers of the Chamber of Commerce

Hon. Pres.: Alfred Beauchemin
Pres.: H. H. Sheppard
Vice-Pres.: Jos. Simard
Sec'y-Treas.: L. P. Tremblay
Directors: J. B. T. Lafreniere, N.P., M.P.P.
A. L. Currie
Louis Lacouture
Dr. A. Chartier
Ed. Barnard
Oscar Paradis
Alfred Trempe
J. C. A. Turcotte
C. T. Desjardines
H. P. Cartier

This fully equipped machine shop is for sale or lease. Size about 400 feet square.

Apply at once to Industrial Commissioner, Sorel, Quebec.



Fully equipped to manufacture boots and shoes.

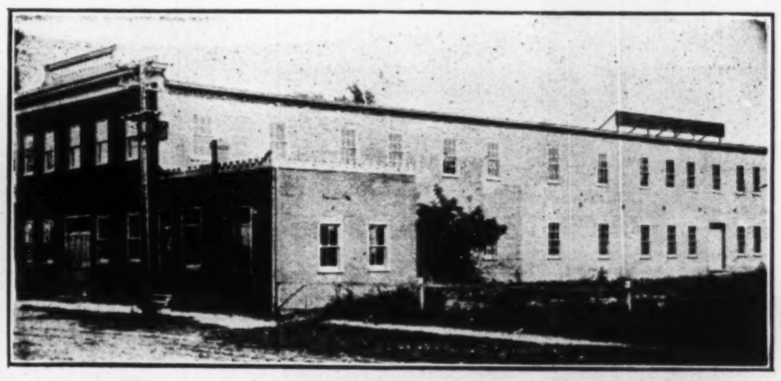
Electric equipment. $18,000 of shoes, soles, leather and other equipment on hand.

Has employed 100 hands.
Fully equipped tannery.
Elevators inside and outside.
17,000 feet floor space.
All machinery ready for service.

For further particulars wire or write

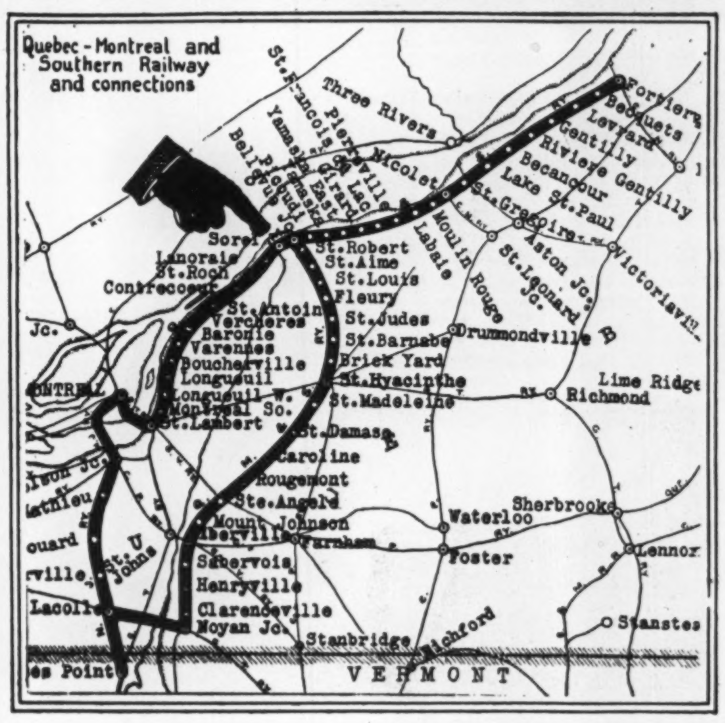
J. E. BEAUBIEN, Industrial Commissioner
SOREL - QUEBEC

Factory



This factory is owned by the Town of Sorel and is ready for occupancy. Size 150 x 50 feet. Two story solid brick building with metal roofing and 300 feet yard space. Near railroad, and suitable for manufacturing textiles, etc.

Apply **INDUSTRIAL COMMISSIONER**
SOREL, QUEBEC


Quebec - Montreal and Southern Railway and connections
Three Rivers
St. Francois
Pierreville
Yamaska
Nicolet
Sorel
Lanoraie
St. Roch
Contrecoeur
St. Robert
St. Aime
St. Louis
Fleury
St. Antoine
Vercheres
Baronie
Varennes
Boucherville
Longueuil
Longueuil W.
Montreal So.
St. Lambert
St. Jude
St. Barnabe
Brick Yard
St. Hyacinthe
St. Madeleine
St. Damase
Caroline
Rougemont
Ste. Angele
Mount Johnson
Iberville
Farnham
Sabrevois
Henryville
Clarenceville
Noyan Jc.
Stanbridge
Richford
St. Johns
Lacolle
Rouses Point
VERMONT
Fortierville
Becquets
Levrard
Gentilly
Riviere Gentilly
Becancour
Lake St. Paul
St. Gregoire
Moulin Rouge
Labale
Aston Jc.
St. Leonard Jc.
Victoriaville
Drummondville
Lime Ridge
Richmond
Sherbrooke
Waterloo
Foster
Lennox
Stanstead
MONTREAL
Jc.

Quebec-Montreal & Southern Railway

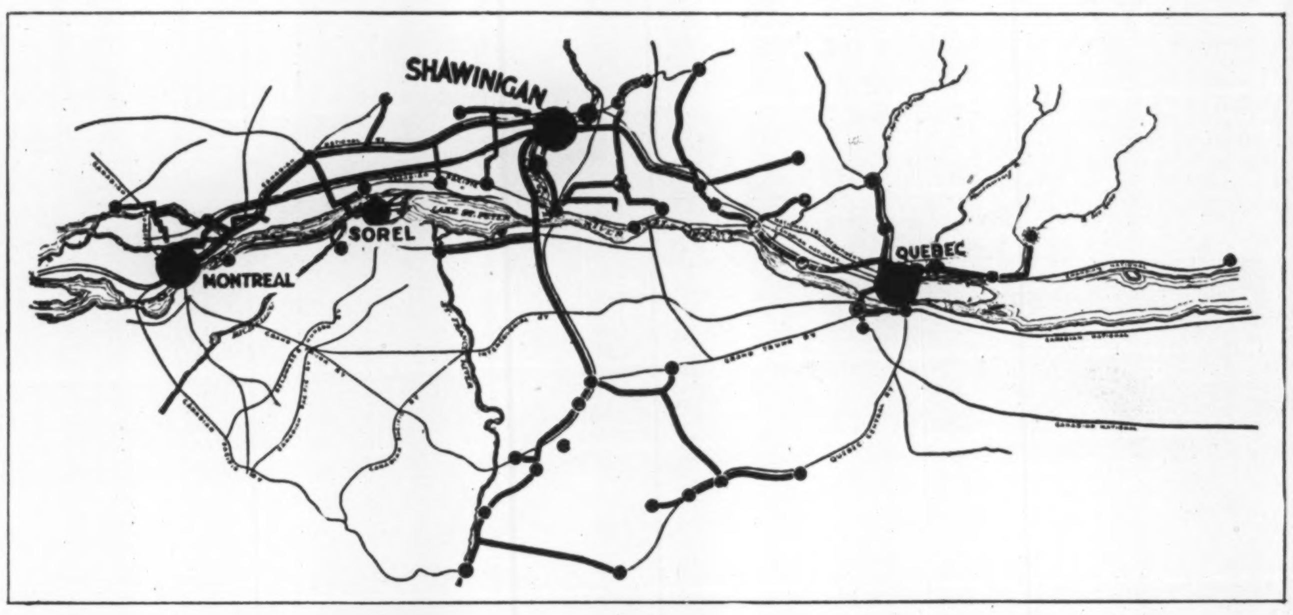
SOREL, Que., located at the junction of the St. Lawrence and Richelieu Rivers with a minimum of 28 feet of water at any shore point, possesses many advantages from a manufacturing standpoint, and is one of the best places in Eastern Canada for a large paper mill.

The Quebec, Montreal and Southern Railway reaches all points in the United States and Canada by direct connection with the Delaware & Hudson Company, Rutland Railroad, New York Central Lines, Central Vermont Ry., Canadian National Railways and Canadian Pacific Railway, with proper freight rates, adequate car supply, and efficient operating service.

Hundreds of steamers and schooners now bring black spruce (long fibre) pulpwood to Sorel for reshipment to mills in the United States, and as the average price of this pulpwood, including water freight, is said to be around $10.00 a cord, the advantage of a paper mill at Sorel is obvious.

Shawinigan Power Gives to Sorel a Premier Place in Industry

The Sorel Light and Power Company Limited Distributing this Service Provides an Assured, Unrestricted, Continuous and Practically Unlimited Supply


SHAWINIGAN
SOREL
MONTREAL
QUEBEC
LAKE ST. PETER

Transmission Lines System of the Shawinigan Water and Power Company
Serving the Sorel Light and Power Company, Limited

Low Cost Power Coupled with Cheap and Stable Labor Supply, Splendid Rail and Water Transportation, Makes Sorel a Logical Place for any Industry

These and other Factors
Make this Location Peculiarly
Suited to the Needs of Pulp
and Paper Mills

The Sorel Light and Power Company
Limited

Enquiries are Solicited

Jos. Simard - General Manager

HOW LAURENTIDE PLANTED AN IDEA AND GREW A TOWN

Something About the Work of a Big Company

EMPLOYEE RELATIONS

The Paper Mills Are Away From the Cities and Communities Have to be Built

THE big paper mills of Canada are in nearly every case located at a distance from big cities. The paper mill by its very nature must be located close to a water power site; must be on a river large enough and clear enough to give free channel for pulpwood from the forest; and must be located close to its timber limits. There are other considerations to determine the location of a paper mill, but the net result of all of them is that a paper mill usually has to go into a new country and become the nucleus of a community created to serve its employees.

Many model towns in Canada have been built as a result of the location of paper mills. The town of Iroquois Falls came into being when the Abitibi Power and Paper Company was established. Clarke City, Quebec followed the Gulf Pulp and Paper Company. Donnacona became a successful community of excellent homes and many modern conveniences when the Donnacona Paper Company was formed. Grand'Mere, Quebec, the largest and most beautiful of these model communities, is part and parcel of the Laurentide Company.

For every ton of newsprint that is sold, anywhere from two to five dollars of the cost is represented by the cost of building livable communities and providing working men with humanizing influences. The charge is not excessive. Were pulp and paper mills to be built in existing centres of population, to avoid the expense of establishing schools, homes, club houses, hospitals, etc., then the extra cost of labor, of transportation of taxes, etc., would amount to much more than the burden now assumed

The Laurentide company has gone further than any other Canadian paper institution in experiments along industrial lines. Visitors are a little short of amazed by the evidences of community spirit that are found on every hand in its town of Grand'Mere.

Grand'Mere has about 7,000 people. As the Laurentide Company employs about 1,500 people in the town, it will be seen that hardly less than 6,000 people are dependent directly upon the paper mill for their sustenance. There are only about 1,000 outside of the immediate mill circle. These would include merchants, railway employees, taxi drivers, etc., and their families. Grand'Mere has practically no other industry but the Laurentide Company. So we have here an entire town rising or falling with a single industry. Every worker at the Laurentide is a loyal worker, loyal in no mere sense of earning his weekly wage, but loyal in the sense of giving to his company such service as he would give to a company he owned himself.

Many of the Laurentide employees are part owners of their company; no less than 511 of them have purchased stock in the company under the company's stock investment plan.

There is no labor trouble at Grand'Mere. When the itinerant commission on industrial conditions toured Canada not long ago they held a meeting in Grand'Mere. They called the president of the Laurentide Company as a witness. He reported that there were no labor troubles at Grand'Mere.

"Never had a strike?" asked the chairman.

"No, we've never had a strike, and do not expect any."

The chairman called in some of the workmen. They confirmed the evidence. They were satisfied; had good working conditions, drew a little more money from time to time, and had no complaints to make.

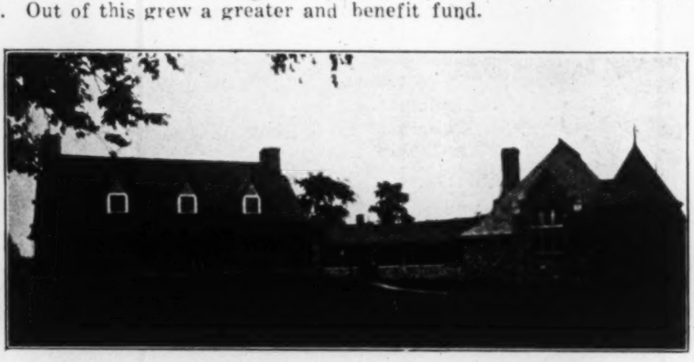
The commission moved on to another town.

The president of the Laurentide Company is Geo. Chahoon, Jr., who was chosen by Sir William Van Horne as president of the company in its early days. When Mr. Chahoon first saw Grand'Mere it was not an inviting place. It was as bleak and unpleasant as any new hamlet carved out of the rocks and forests of Canadian timberlands could be Tin and tar-paper huts served for homes. The streets were muddy There was utter lack of flowers and shrubs. Community interests were ignored.

Moreover, this situation was economically unsound. It was impossible to keep the proper kind of men on the job. The company would import a highly trained workmen to look after a particular job. In time he would become dissatisfied with living conditions in the community—or perhaps his wife would—and would move on to another job. University men in particular refused to live in Grand'Mere. It was not a livable community at all, but an uninviting community on the rocky banks of a river.

Employees' dwellings erected by the Laurentide Company.

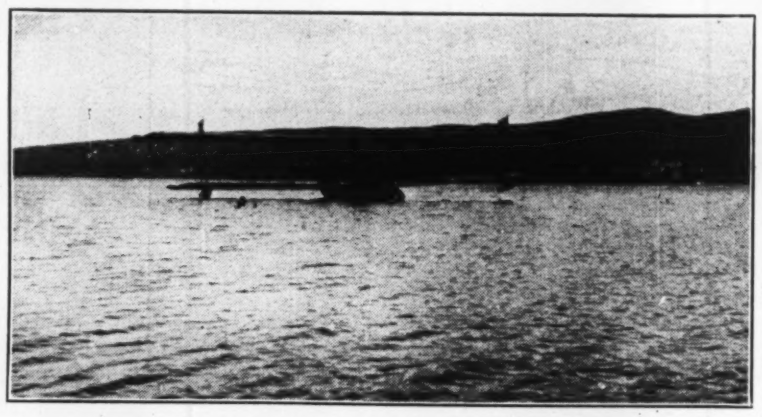
Thus, without any idea of building the show town that Grand'Mere is today, or without humanitarian and socialistic motives, but merely as a good business proposition, President Chahoon started to make of Grand Mere a place than any man would want to live in and grow up with. Out of this grew a greater and finer idea; today Grand'Mere is a demonstration of just what is possible in industrial French-Canada.


Club house built by Laurentide Company.

Beautiful homes have been created; streets have been laid out, and charming gardens planted. There is an inn as attractive as any tourists' hostelry, and a community club that is architecturally interesting and socially a success. The golf course has eighteen holes, and has natural beauties as well as natural hazards. In short, an idea has been planted at Grand'Mere and from the idea has grown a town.

Club house and part of links of Grand Mere Gold Club, built by Laurentide Co.

To-day the citizens have all these advantages that have been mentioned and many more. A water supply system has been installed for the municipality by the company. There are tennis courts and athletic fields. A library, a band and orchestra, and a plant paper, are included in the recreational and educational programme. Purified milk comes from the Laurentide Dairy, operated by the company. The dairy does not make any money—in fact, loses some every year—but it does provide insurance against sickly babies and unhealthy workmen.


Plane used for timber, cruising and fire ranging.

The health service is broad in its functions. There is a model hospital that works hand in hand with the local physicians, and does not usurp any of their functions. The dental service operates on somewhat similar lines. Every three months every employer has his teeth thoroughly examined and cleaned free by the dental hygienist. And if any employee requires any dental work he can have it done by his own dentist. He pays a third of the cost. The company pays a third of the cost as a contribution which it hopes to get back in more efficient work. Another third of the cost is paid out of the profits of the life and mutual benefit fund.

All of the employees are insured under a group insurance scheme with one of the larger life insurance companies, and further bonuses upon the amount of the life insurance policy are paid by the company according to the term of service of the dead employee. There is a sick benefit fund.

Employees are urged to buy stock under a scheme patterned after that of the United States Steel Corporation which bonuses the men for becoming owners in a strictly investment basis, and gives no encouragement to the mere speculator in the company's stock. Thus saving and thrift is encouraged in addition to the benefit of having interested and enthusiastic workers in the company's employ.

The working men's council, consisting of men chosen by the employees and representatives appointed by the manager, meet once a month to discuss the relation of the workers to the company.

The Laurentide Inn, Grand Mere, P.Q.

The Laurentide Educational Board provides facilities along broad lines. The Catholic pupils go to school in their own educational institutions, which they support through the payment of taxes. Protestant children go to school in the fine educational institution that has been established in the company's office building. Where pupils prove themselves particularly apt, and want to go in for higher stages of education, the company will assist them by way of a loan to their parents, and, as a result, many Laurentide boys have received the advantages of education at Harvard, McGill, and other institutions only to come back and work for the Laurentide Company and give to that company the benefit of their training. Not only does the company make a loan to the students who wish to go to college, but provides them with summer work at excellent wages, that enables them to pay off the loans without difficulty.

This is a striking list of accomplishment. The company has benefited from the vast expenditure it has made. But that is of small moment. The chief thing is that the company has established an ideal for other industries in working out an industrial scheme of things that makes for better citizenship, and a higher type of Canadianism. There is a warm sense of humanity in the work of the Laurentide organization, such as is missing in the life of most of the industrial communities of the province of Quebec.

It has been shown that there is more to business than dividends more to management than control and more to labor than the daily wage. In many senses it has been a fine thing for industry that the paper mills of Canada, such as the Laurentide Company, the Abitibi Power and Paper Company, and the Spanish River Pulp and Paper Mills and others have been forced to get away from existing communities in the establishment of their plant. It has forced management and labor to think along new lines of business democracy, and to achieve standards of humanitarian service that are invigorating influences in the development of a broader and more sincere national life.

A Professional Opinion

Duffer—My doctor says I can't play golf.

Duffer—So, he's played with you, too? —Kansas City Star.

ST. LAWRENCE PAPER HAD EXCELLENT YEAR

Sold Issue of $2,500,000 of First Mortgage Bonds to the Public

St. Lawrence Paper Mills has made its bow to a larger section of the investing public. It has issued $2,500,000 of first mortgage bonds, and issued them on terms that indicate a high regard for the company, and it has also closed up a year of good business—its first.

The plants are rated at 160 tons of newsprint a day, but have been producing something less than that during the past few weeks. The mills are not expected to run at capacity until a general speeding up in the newsprint movement is noticed.

Originally this company was organized by Noah H. Timmins and his associates of the Hollinger Mine under the name of the Three Rivers Pulp and Paper Company. The plan was to have a pulp mill only, but the slump in the groundwood market caused a change in the plans and the company, when put upon a different basis, decided to manufacture newsprint as well. The name was changed to St. Lawrence Paper Mills.

The company's paper is marketed through the St. Maurice Paper Sales Company, and American newspapers have contracted for the entire 1923 production. The plant at Three Rivers has a frontage of 1 500 feet on the St. Lawrence River with 35 feet of water at the dock. Power is purchased from Shawinigan Falls.

No sulphite pulp is made, as this can now be purchased at favorable prices in the open market.

PRODUCTION AND FINANCES

Property.—The newsprint mill which has been erected under the supervision of competent engineers, is of the most modern design and construction. It is located on the water front at Three Rivers, and is well situated both from the point of view of handling raw materials and accessibility to newsprint markets. The mill contains two paper machines of 75 tons daily capacity each; a total of 150 tons per day, or 45,000 tons per annum.

Timber.—The timber resources of the company consist of 789 square miles of leasehold timber lands located on the St. Jean and Magpie Rivers, Saguenay County, Quebec. These limits are estimated to contain a minimum of 2,000,000 cords of pulpwood, which, at the present rate of consumption, represents a 40-years' wood supply.

The company has also entered into a contract with John Breakey, Limited, lumber manufacturers, for a supply of 1,000,000 cords of pulpwood, delivered at the rate of 50,000 cords per annum. The limits which are owned by Jno. Breakey, Ltd., are located in Beauce County, and are regarded as one of the finest stands of spruce in the province of Quebec.

Production.—140 tons of groundwood daily and 150 tons of newsprint.

Capitalization—	Authorized	Outst'd'g
Common	$50,000	$ 50,000
8% pref. cum....	2,500,000	2,500,000
Funded Debt—		
1st mtge. 20-yr., 6½% sinking fund gold bonds ...		$2,500,000

Officers and Directors—

N. A. Timmins, president; D. Breakey, E. Rossiter, vice-presidents; J. I. Rankin, secretary-treasurer; A. M. Creighton, assistant treasurer and chief accountant, D. A. Dunlop, L. H. Timmins, Colin Breakey.

LINCOLN MILLS ARE IN RECEIVER'S HANDS

Company Wants Finances Reorganized—Doubtful if New Capital Will Be Required

Lincoln Mills have been in the hands of a receiver since early in the year. This action was taken to bring about a reorganiation of the finances of the company, and has in no way interfered with the operations of the mills at Merritton, Ont. Fair progress is being made in the financial reorganization, although the company is not prepared as yet to make any pronouncement. It is doubtful if new capital will be required, at least such a proposal has not been considered as yet and the indications are that it will not have to be. The company is quite close to the U. S. pulp market and is thus in a favorable position to dispose of its pulp. Practically the balance of its products, fine papers, etc., are disposed of in Canada. The company can see a good opportunity for improvement. With the return of Russia and Germany to the market for papers, the Scandanavian product, not competing with the Canadian for the U. S. market, will revert to its former market. In fact they are already talking of higher prices in Europe. This is bound to have a good effect on the Canadian market.

Capitalization—	Authorized	Issued
(A) Preferred	$1,500,000	$570.250
(B) Common	15,000 sh.	15,000 sh.
(C) 1st Mort.	$1,000,000	$981,500
(D) Debentures	1,075,000	1,029,500

Timber Supply.—180 sq. miles owned.

Production.—50 tons sulphite pulp, also produces writing, book, wrapping and rope papers.

Officers.—Edward P. Farley, chairman; K. S. Maclachlan, vice-president; E. A. Sterling, vice-president; J. Gregory Smith, treasurer; Allan W. Macbeth, secretary.

His Real Need

Boss—No, sir; we cannot grant you a raise in salary at this time.

Employee.—But, Mr. Brown, my wife has adopted a budget.—The Argonaut.

Your Guarantee of Paper Quality—

The "R" Shield Watermark on papers you use is our guarantee to you that great care and all the skill acquired over a period of forty years has gone into the making of each sheet.

By this very token has our SUPERFINE LINEN RECORD been the aristocrat, and regarded as the best bond paper, on the market since 1882. Order from your wholesaler.

Makers of
SUPERFINE LINEN RECORD
EARNSCLIFFE LINEN BOND
EMPIRE LINEN BOND
COLONIAL BOND
SERVICE BOND
MOUNT ROYAL BOND

SUPERFINE LINEN RECORD

A high grade all-rag bond paper for all commercial purposes—for forty years the standard by which all good papers are judged.

The Rolland Paper Company, Limited
High Grade Paper Makers since 1882
MONTREAL - CANADA
Mills at St. Jerome, P.Q., and
Mont Rolland, P.Q.

SPANISH RIVER PROFITS INCREASED OVER $1,000,000

Excellent Report on Operations For Past Year

POSITION STRONG

Reduction Made in Bonds Outstanding and Working Capital Materially Higher

Profits of Spanish River Pulp and Paper Co. show an increase of slightly over $1,000,000 for the year ending June 30, the gross standing at $5,038,029 and the net, after depreciation, interest, etc., stands at $3,119,660. With the surplus after paying dividends on the common and preferred at 7 per cent. and a proportion of the dividends to bondholders and a further transfer to depreciation reserve of $400,000, the surplus, added to the surplus forward from the year previous, stands at $5,779,488.

The balance sheet shows the position of the company to be strong. The company reduced the bonded debt by over half a million dollars, yet the working capital has advanced by $1,500,000. Current assets total $12,273,408 with current liabilities at $3,260,414. Reserves stand at $6,081,721.

During the year many improvements were made in the company's plants, resulting in economies of manufacture, greater capacity and increased earnings, says Pres. Geo. H. Mead.

Profit and loss account, which may be compared with the figures of previous years and which is published elsewhere in this issue, follows:

Net earnings	$5,038,029
Less;	
Depreciation	792,317
Interest	766,052
Taxes and contingencies ..	360,000
Net profit	$3,119,660
Pref. dividend	603,365
Common dividend	661,290
Bond holders' div.	140,517
Sinking fund	400,000
Surplus	1,314,488
Balance forward	4,485,000
Total surplus	$5,799,488

Bonded indebtedness which stood at $12,073,594 a year ago is now down to $11,496,527. At the same time, reserves have been increased, and these stand at $6 081,721, as against $4,820,732. The surplus has gone over the $5,000,000 mark and close to $6,000,000, standing at $5,799,488, as against $4,485,000.

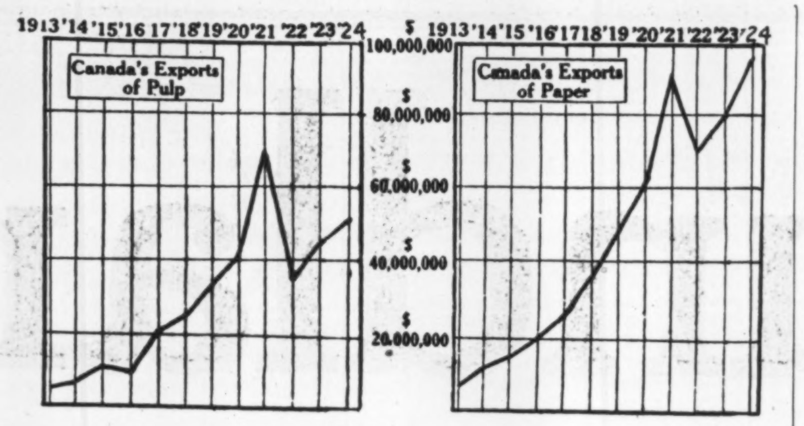
Percentage earned on the preferred and common for the past few years follow:

Percentage Earned On

	Preferred	Common
1917	8.24%	8.24%
1918	7. %	2.23%
1919	9.47%	9.47%
1920	16.07%	16.07%
1921	16.82%	16.82%
1922	10.13%	10.13%
1923	12.09%	12.09%
1924	14.33%	14.33%

Current assets and liabilities compare:

Cur. assets—	$12,273,408	$11,136,022	$10,714,774
Cur. liab.—	3,260,414	3,630,660	4,172,071
	$ 9,012,994	$ 7,505,362	$ 6,542,705



BAY SULPHITE'S BONDS PROTECTED

Have Been Assumed by Port Alfred Pulp and Paper Corporation

Very remarkable financial rescue work has been accomplished in the case of the Bay Sulphite Company. Largely because of the failure of Becker & Company, of London, England, a firm of paper merchants, this company was forced into liquidation during the early part of the year. The holders received the interest payment as usual; this was paid out of earnings. After some months of negotiation a plan or reorganization was worked out that effectively protected the interest of the bond holders. The bonded indebtedness was assumed by the Port Alfred Pulp and Paper Corporation, a new company which has been organized. Thus the bond holders will have as security, not only the assets of the Bay Sulphite Corporation, but any assets that may be acquired by the Port Alfred Company. The assets of Bay Sulphite included the mill at Port Alfred, extensive timber holdings, as well as over $1,000,000 of the bonds of St. Lawrence Pulp and Lumber Mills. The new company has already additional assets that have been provided by the underwriting of $1,500,000 of debentures.

Provision is made for the expansion of the Port Alfred Pulp and Paper mills. The company will have authority, with the consent of the bond holders, to issue $2,000,000 of new bonds for the installation of newsprint machinery when this is considered advisable. The provision is made, though, that earnings for two years previous to the issue of new bonds must have been twice the earnings on the total bond issue including the new bonds to be issued.

Provision is also made for the issuance of new bonds up to $15,000,000 for further extensions.

It is believed that it will not be very long before the Port Alfred Company will find it advisable to establish a newsprint mill somewhere in the vicinity of its sulphite mill at Port Alfred. The first machine to turn out 100 tons a day of paper will likely be started next spring.

The shareholders have assurance of excellent management for the company, as the new president of Port Alfred Pulp and Paper Mills is R. O. Sweezey, one of the best pulp and paper engineers of Canada.

The protection afforded to the Port Alfred bond holders is indicated by the fact that the company has managed to earn about twice its interest charges during its entire period of liquidation.

Bonded Indebtedness

6½% 1st mtge. bonds due 1943	$3,000,000

Timber Supply—Company itself or through subsidiaries owns 50,000 acres of freehold timber and holds under license 996 square miles, estimated in all to contain 6,000,000 cords of pulpwood.

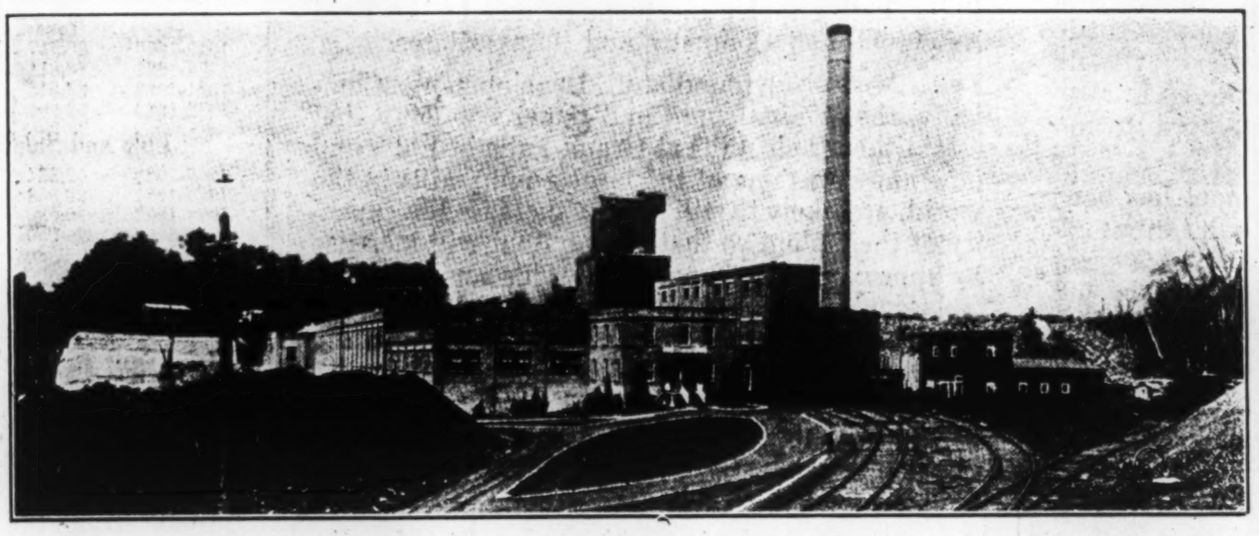
Properties — Include two modern mills at Port Alfred and in the Gaspe Peninsula.

Production—Capacity of the two mills is 70,000 long tons of sulphite pulp per annum.

OUR connection with the financing of pulp and paper companies is the result of our belief that the manufacture of these commodities will continue to be one of Canada's basic industries for many years.

Wood, Gundy & Company

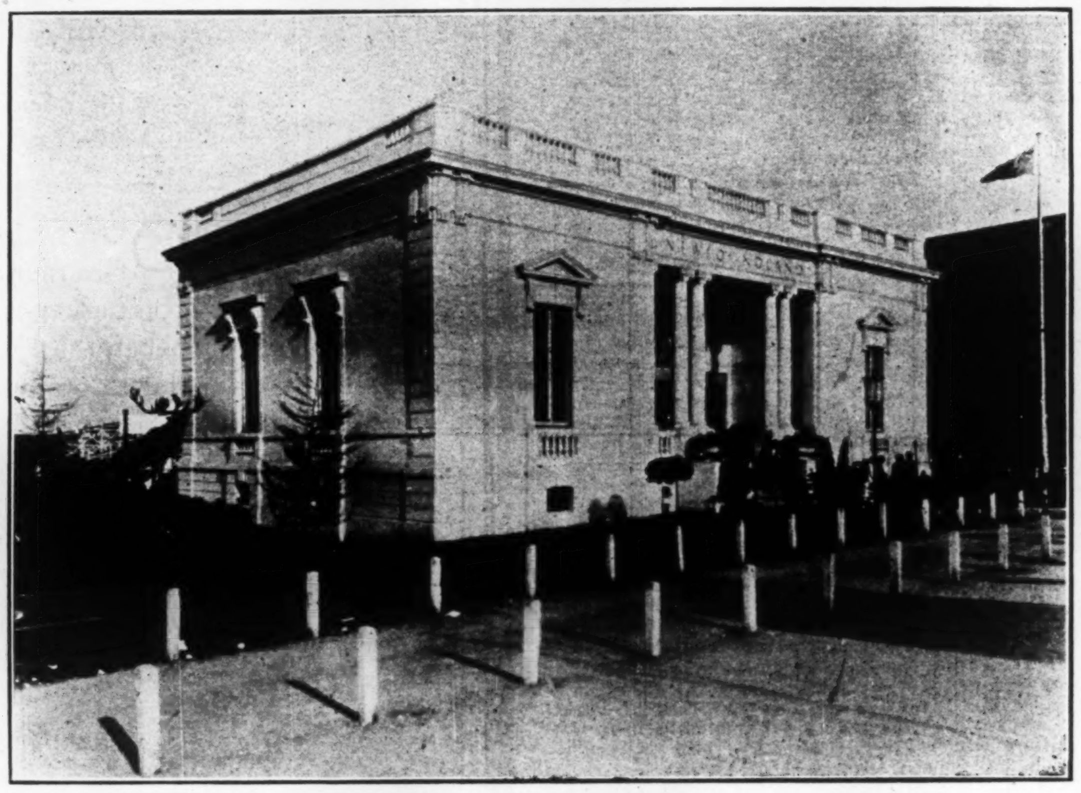
DONNACONA PAPER CO.
LIMITED



Manufacturers of
HIGH GRADE
Newsprints, Sulphite and Groundwood Pulp
DONNACONA, QUEBEC.

Newfoundland

Rapidly Securing Place as Great Pulp and Paper Producer



Newfoundland Building at Wembley.

Ample Natural Resources Assure Permanence of the Industry

WHILE the pulp and paper industry of Newfoundland is one of comparatively recent growth it is rapidly forging to the front and may, within a comparatively short space of time, rank as one of the major industries of the colony. Newfoundland is particularly favored in the natural resources that would go to make this possible.

It has very extensive areas suitable for pulp, and considerable areas suitable for general lumbering.

Under the careful regulations enforced by the government to conserve these resources, and the natural reproductiveness of these forests that renew themselves within sixty years, there is a virtually perpetual supply, especially of black spruce and fir for pulp. Until quite recently the law forbade the export of unmanufactured pulpwood. Of late years, however, under certain conditions this restriction has been lifted being replaced by an export tax of one dollar a cord.

Crown Lands

All lands in Newfoundland that are not privately owned are held by the Crown and are at the disposal of the Newfoundland Government. Any of these lands are purchasable at terms that are profitable to the purchaser. Any applications for the purchase of these lands should be made to the Crown Lands Office of the Department of Agriculture and Mines at St. John's.

In the main, however, the development has been in the manufactured product. The substantial advance in this industry of recent years is due not only to the superb supply of raw materials, but also to the fact that in conjunction with this there are splendid natural power resources conveniently located to all the great forest limits, and unexcelled shipping facilities, an indication of the relative importance of the raw product and the manufactured article. The value of paper exports for the year 1923 totalled $5,052,141, raw forest products, $957,583, and pulp, $364,289.

Some extensive developments are already well under way, and when these are actually completed a very marked increase in the output of manufactured paper is assured. The most extensive addition to this industry is the plant of the Newfoundland Power and Paper Company on the Humber River. This enormous project that is already well on its way to completion, is estimated to cost $25,000,000, the amount being guaranteed in equal shares by the British and Newfoundland governments. The actual construction is expected to be completed by July 1925, and the plant will then have a daily capacity of 400 tons of newsprint, in addition to extensive power resources.

There is also a proposal to establish a large Hydro-electric and pulp and paper concern in the Gander River Valley under the management of the Reid Newfoundland Company and its associates.

The Anglo-Newfoundland Development Company, the original pulp and paper company that established their mills at Grand Falls in 1909, and now known as one of the largest pulp mills in the world, are likely to still further increase the capacity of their plant so that their output will increase by approximately 50 per cent. This company controls 4,000 square miles of timber cutting every winter 120,000 cords of pulpwood, and employing 1,500 men in this work and 600 men in the mills. There is also a mill at Bishop Falls for the manufacture of pulp only. The mill is owned by Albert E. Reid and Company, who control 820 square miles of timber.

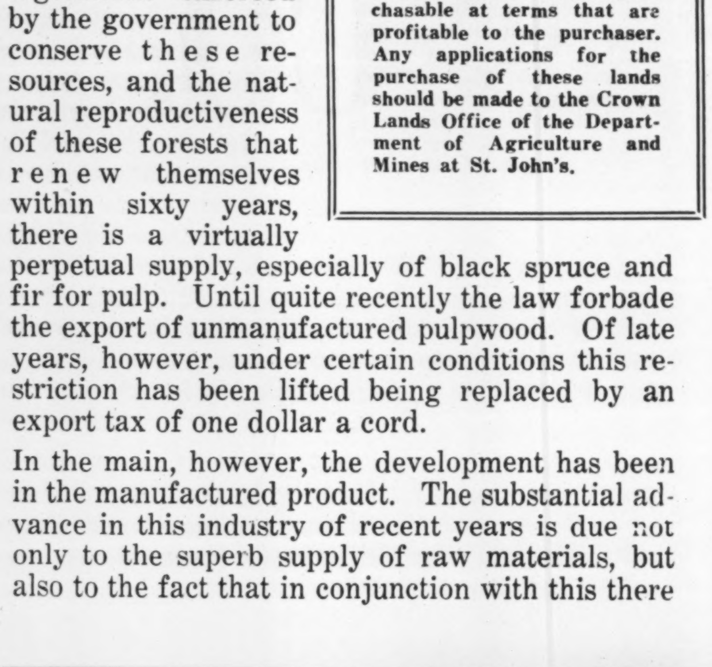
A constructed plant at Alexander Bay for the manufacture of sulphite pulp, has recently been acquired by the Terra Nova Sulphite Co., a subsidiary company of the Anglo-Newfoundland Development Company, and will be operated in the near future.

The Newfoundland government has done everything in its power to encourage and assist this industry, as is evidenced by the substantial government guarantee in the Humber River development. It has also been very generous in the matter of leasing crown lands. Large areas are already held under timber license in the province, but there are still other tracts available. Timber licenses are granted for terms up to 99 years, and give a right to cut timber over these limits. The cost, which is in the nature of a bonus, is in no case less than $200 a square mile and it increases for more favorable sections.

The lessee must guarantee the systematic use of these timber leases by erecting a saw mill, pulp and paper factory, or some wood goods manufactory, similar to the above; he must agree to use all the timber he cuts; he must prevent the destruction of growing timber, and make annual returns to the government. These, in the main are the conditions of these crown land leases, terms that are not severe nor in any way restrictive on the profitable development of this business. The full details of the requirements of these timber leases, and also in regard to the timber and power resources of Newfoundland can be obtained from the Minister of Agriculture and Mines, St. John's, Newfoundland.

Paper and Pulp Production

	Tons	Value
1919-1920	80,717	$4,725,660
1920-1921	63,311	4,646,582
1921-1922	34,512	3,088,260
1922-1923	56,000	5,052,141
Pulp and Sulphide		
1919-1920	19,864	$ 334,276
1920-1921	26,838	246,009
1921-1922	19,932	364,514
1922-1923	21,000	364,289



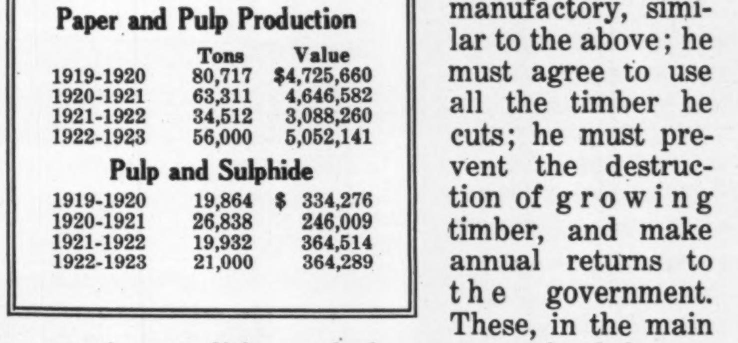
Display of Spruce, Balsam and White Pine at Wembley.

GOVERNMENT OFFICES:

ST. JOHN'S
Newfoundland

Honourable W. J. Walsh, Minister of Agriculture and Mines

George E. Turner, Deputy Minister



Power Plant at Humbermouth as shown at Wembley.

Growth of Pulp and Paper From the Statistical Viewpoint

Blue Book Figures Reveal the Tremendous Expansion in the Industry and Give an Indication of Future Possibilities

THE pulp and paper industry is Canada's most important industry, both as to the investment of capital and as to the value of exports. At the present time it probably ranks highest in the value of the products produced annually. In 1920, the last year for which comparative figures are available, there was a total of $347 000,000 invested in the pulp and paper industry; next came the lumbering business with an investment of $199,000,000, and machine shops followed with $149,000,000. The capital investment in the pulp and paper industry had grown to $417,611,000 in 1923, and will likely go over the $450,000,000 mark in 1925. Only the business of developing water power, not essentially a manufacturing industry exceeds pulp and paper in total capitalization.

On the basis of the value of the products, pulp and paper is quickly coming to the top. For the year 1920 it ranked third; the figures for the production of the first five industries ranking as follows:

Meat packing	$240,500,000
Flour and milling	239,350,000
Pulp and Paper	..**236,400,000**
Lumbering, etc.	207,150 000
Construction	126,900,000

In 1921, with lower prices prevailing, the production had declined to $151.000,000 but 1922 climbed upwards a bit to a total of $156,000,000 and in 1923 to $183,000,000. In actual tonnage of products 1923 was higher than 1920, and it is certain that the census figures will soon be showing that in value of products pulp and paper stands before any other Canadian industry.

Five Firms 40 Years Ago

The growth to this stage has been rapid. Forty years ago there were five firms in the business in Canada with a capital of $92,000 invested and an annual output of $63,000. Since then the growth has been as indicated of properties in the industry. The figures for six years have been as follows:

	Capital	Output
1881	$ 92,000	$ 63,000
1891	2,900,907	1,057,810
1911	53,696,933	......
1917	......	96,340,327
1918	307,922,402	119,309.434
1919	......	140,186,457
1920	347,553,333	236,420,176
1921	379,812,751	151,003,165
1922	381,006,324	155,785,388
1923	417,611,678	183,226,218

Production on Up-Grade

On the basis of actual tonnage produced the figures provide a clearer record of the actual physical growth in the following table:

	Pulp Tons	Paper Tons
1917	1,464,308	853.689
1918	1,557,193	967,724
1919	1,716,089	1,090,235
1920	1,960,102	1,214,951
1921	1,540,782	1,021,941
1922	2,150,251	1,366,815
1923	2,469,305	1,582,799

It will not be overlooked that paper production has grown more rapidly than pulp production. Canada is converting more and more of its pulp into the finished product at home.

Pulpwood Cut for Home Use

To feed the devouring pulp mills it has been necessary to cut each year an increasing amount of pulpwood from the timber lands of the Dominion. In 1923 the mills consumed an amount of pulpwood estimated at 3,265,000 cords as against 1,109,034 tons in 1913. The total cut of pulpwood in Canada has grown from 1,325,085 cords in 1908 and 2,144,064 cords in 1913 to 4,648,663 cords in 1923. A large part of the production is exported every year—over 1,384,000 tons last year—but it is most significant that the increase in production of pulpwood has been almost entirely for consumption in Canadian mills. The amount exported has varied but little until recently with threats of a possible embargo.

Exports Have Also Grown

Canada's exports of pulp and paper have grown with the industry. One could not do better than give the figures and let them speak for themselves. Exports of pulp and paper added together have grown as follows:

1912	$ 8,975,000
1917	46,476,000
1922	105,458,295
1923	122,554,439

Exports of paper have shown the growth indicated in the following table:

1912	$ 3,881,000
1917	26,072,000
1922	69,533,418
1923	79,567,941

Pulp exports have been as follows:

1912	$ 5,094,000
1917	20,404,000
1922	35,924,877
1923	42,986,948

Figures indicate that pulp and paper is Canada's most important exporting industry. Canadian exports of pulp and paper totalled $142 000.000 in the year ended March 31 last, and as Canadian exports as a whole just went over the billion mark, it can be seen that the pulp and paper industry contributed one-seventh of the total exports of Canada.

Such is the story the figures tell. And yet in the opinion of seasoned observers, the industry is still in its infancy. Canada has the raw materials and the water powers to form the basis for a greater growth. Markets for paper are growing

Even if the world's consumption of paper were not growing so rapidly Canada would still be in a position to develop its pulp and paper industry further because the abundance of raw materials here will have a tendency to bring to this country business that is now going to other paper-producing nations. The United States is increasing its production of such an important commodity as newsprint but little, although the consumption of newsprint in that country is growing. Newsprint production in the United States is more likely to decline than increase.

The pulp and paper industry in Canada had its beginning in Quebec. That province still cuts for export and home consumption more than 50 per cent. of the pulpwood produced in Canada. The industry spread into Ontario, chiefly in the Niagara peninsula, which is still an important pulp and paper producing centre. Mills have since been very widely established throughout the province, especially in the northern portions and up the Ottawa valley.

Further West in Canada

No development has taken place yet in the prairie provinces with the exception of the exportation of unimportant quantities of raw pulpwood. Spruce, balsam fir, jack pine and poplar, are found abundantly throughout this region, and are valuable pulp wood species. Manitoba seems to be ready to enter the industry and investigations have been made of the possibility of using straw for the manufacture of paper in the cereal-growing provinces.

The rise of the industry in British Columbia has been almost phenomenal. In 1908 two mills were under construction, but prior to 1911 the province produced less than 1,000 tons of pulp per annum. In 1912 the production rose to 25,000 tons and in 1920 the output of the six mills operating in British Columbia exceeds 200,000 tons of pulp and 130,000 tons of paper. The industry in this province is still confined to tidewater, although enormous resources of spruce, hemlock, balsam fir, and other pulpwood species are found in the interior.

Pulp and paper may rightly be called "Canada's most important manufacturing industry."

Over $400,000,000 Invested

The census of the pulp and paper industry in 1923, just issued by the Dominion Bureau of Statistics, is the best received of the present position of the pulp and paper industry in Canada.

The number of pulp mills, pulp and paper mills and paper mills in Canada, and their distribution, are shown as follows:

Canada	
Paper Mills	35
Pulp mills	43
Pulp and paper mills	32
British Columbia	
Paper mills	2
Pulp mills	2
Pulp and paper mills	2
Ontario	
Paper mills	19
Pulp mills	10
Pulp and paper mills	14
Quebec	
Paper mills	14
Pulp mills	19
Pulp and paper mills	15
New Brunswick	
Paper mill	None
Pulp mills	4
Pulp and paper mills	1
Nova Scotia	
Paper mill	None
Pulp mills	4
Pulp and paper mill	None

The capital invested in the industry by provinces and with comparative figures for 1911, a period just twelve years before, is indicated in this table:

	1911	1923
Ontario	17,786,888	204,562,080
British Columbia	$ None	$ 34,095,792
Quebec	32,590,986	155,121,898
New Brunswick .	2,675,059	17,220,837
Nova Scotia	644,000	6,611,071
	$53,696,933	$417,611,678

The production of wood pulp by provinces and by classes of pulp for 1923 is shown in the following table:

	Tons	Value
Groundwood	1,449,305	$39,569,945
Soda	1,453	103,927
Sulphite, bleached	204,297	16,395,574
Unbleached	545,371	28,446,169
Sulphate	224,813	13,559,189
Screenings	43,966	797,506
Other fibre	299	13,800
Total	2,469,305	$98,886,110

Divided by provinces, pulp production was as follows:

	Tons	Value
British Columbia.	217,712	$ 7,325,142
New Brunswick ..	111,126	6,986,207
Nova Scotia	26,979	838,358
Ontario	877,921	33,481,035
Quebec	1,235,567	50,255,367
Total	2,469,305	$98,886,110

The production of the various varieties of paper in Canada in the same year was as follows:

Canada's production of paper in 1923 was as follows:

	Tons	Value
Newsprint	1,241,706	$92,482,843
Book and writing.	80,120	13,828,605
Wrapping	84,912	7,666,174
Boards	130,582	8,480,233
Other paper	45,479	5,042,488
Other products ..	......	105,239
Total	1,582,799	$127,605,582

Divided by provinces, paper production was as follows:

	Tons	Value
British Columbia.	155,373	$ 11,465,602
New Brunswick .	5,567	411,062
Ontario	719,801	57,162,775
Quebec	702,058	58,566,143
Canada	1,582,799	$127,605,582

DRYDEN PAPER CO. STARTING UP AGAIN

Mills Have Been Closed Down for a Few Weeks—Future Is Very Uncertain

Unable to withstand the force of world conditions in the kraft pulp and paper industry, Dryden Paper Company went into liquidation during the past year. The mills have been operated in receivership. For the past few weeks they have been idle, but it is planned to start up again about the first of September. The period of cessation of operations was utilized to effect some repairs and extensions to plant, but none of these developments were of an important nature.

The kraft pulp industry throughout the world seems to be overbuilt to some extent, and the low cost mills in northern Europe have precipitated a crisis in world markets. This situation has been most unfortunate for Dryden, for the company had completed a new wrapping-paper machine to bring its total capacity to 50 tons daily of paper just before the trouble developed.

Wrapping paper had always been the profitable end of Dryden's business. Its losses had been due largely to the necessity of selling kraft or sulphate pulp at less than cost of production. The new machine meant that a larger portion of the company's pulp could be converted into paper within the organization, and promised to improve profits to some degree.

Dryden is unfortunate in that it must find its market in Canada. which, of course. absorbes a limited amount of paper, and in export markets throughout the world, where it meets with extensive competition. It cannot sell its product in the United States because of heavy rates of duty.

The future for Dryden is largely a matter of guesswork, but in the meantime shareholders have the knowledge that the affairs of the company are being administered by some of the men who rank as leaders in the Canadian paper industry, and who will bring success out of its operations if anyone can at all.

PRODUCTION AND FINANCES

Timber Supply.—The company holds 1,157 square miles of timber limits in Kenora District of Ontario.

Properties. — Consist of kraft and groundwood pulp mills and paper mills together with water power development.

Production.—Is now up to 75 tons of kraft pulp and 50 tons of kraft papers together with groundwood pulp.

Capitalization—	Authorized shares	Issued shares
	100,000	100,000
	(No par value)	

Funded Debt—

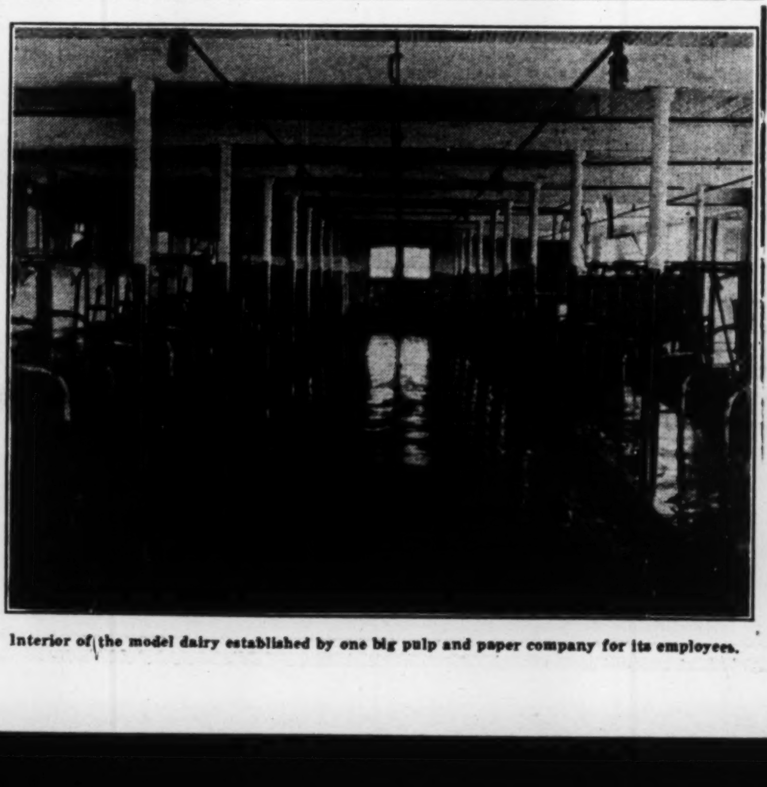
6% 1st lien notes due 1928 $ 335,000
6% debentures due 1945 ... 1,100,000

Officers and Directors—

W. A. Black, president; F. A. Sabbaton, vice-pres.; J. H. A. Acer, Russell Bell, J. W. Greenshields, K.C., D. McLachlin, F. Perry, Hon. Lorne Webster, Geo. Chahoon, Jr., J. B. Beveridge, managing director; H. Humphreys, sec'y-treas.

MANITOBA SALTED BUTTER

WINNIPEG.—The first shipment of Manitoba salted butter was made to England recently, comprising 99,000 pounds. After deducting freight charges, two cents per pound, the butter netted one cent per pound over the local quotation for salted butter.



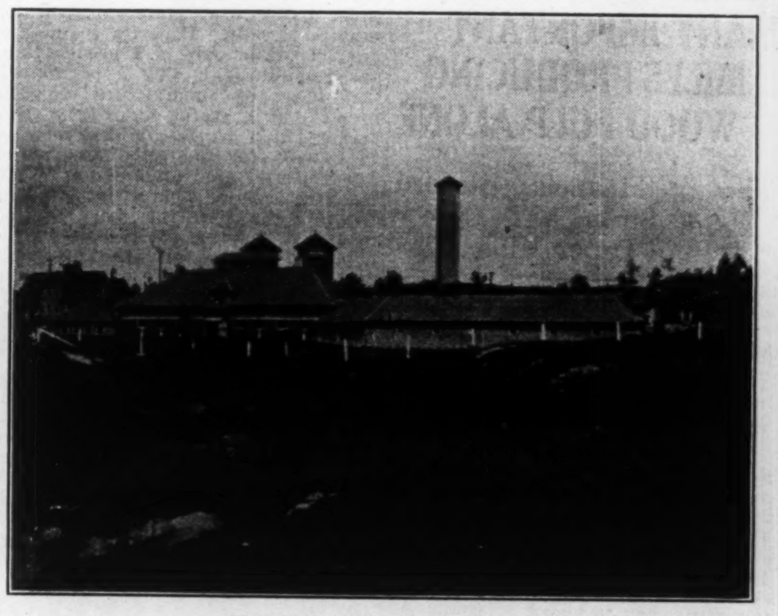
Interior of the model dairy established by one big pulp and paper company for its employees.

MAKE GOOD PAPER OUT OF OLD BILLS

What becomes of all the defaced and damaged paper money is a question that has often been asked of bankers. Heretofore the answer has invariably been, that it is burned. Many interesting stories associated with the burning ceremony have gone the rounds of the press, among them being one in which an excessive draft in the furnace littered St. James St. in Montreal, with partially burned bills. Ottawa's fire department was once called out to answer an alarm of fire when damaged paper money was being destroyed in the furnaces of the Finance Department in the East Block. Later the melting furnaces at the Mint were used for this purpose.

The destruction by burning of condemned paper money seems likely to become an obsolete practice. The Forest Products Laboratories, of the Department of the Interior, have been carrying on a series of experiments to develop the best method of recovering good paper stock from the condemned paper currency withdrawn from circulation by the Department of Finance and the various banks, and to ascertain if such a method is commercially feasible. Refining of the stock produced under normal cooking conditions was carried out and, by the use of a special washing equipment, it was found possible to recover an absolutely clean pulp.

The paper used for the printing of bank notes is made from pure linen cuttings, and is one of the most expensive papers manufactured. It will readily be seen that if the Forest Products Laboratories are able successfully to reclaim the paper from condemned currency it will be of considerable commercial importance.



Model dairy in a paper mill town.

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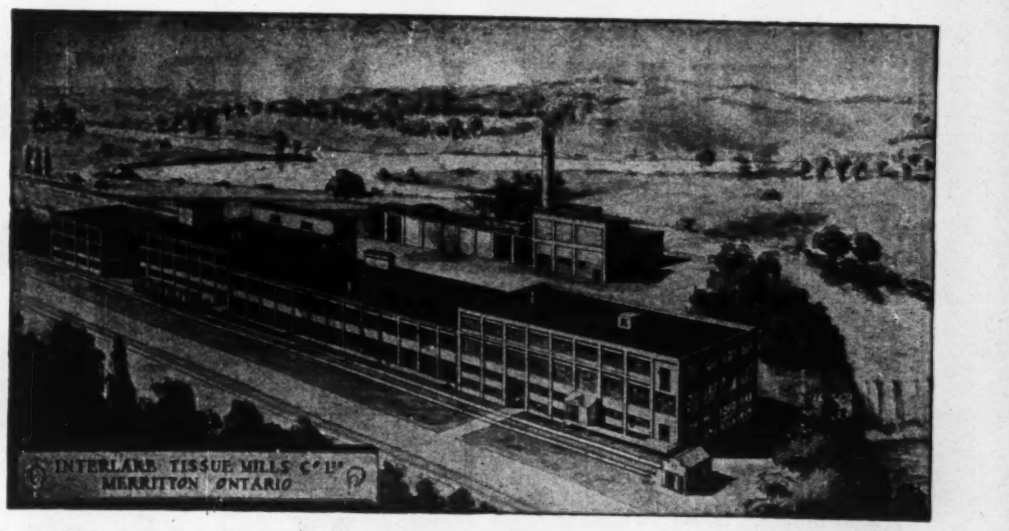

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MANY IMPORTANT MILLS PRODUCING WOOD PULP ALONE

Though Financial Record Not as Strong as In Case of Paper Mills

CHIEFLY FOR EXPORT

Most of the Mills That Produce Pulp Also Sell Product In the United States

Investors do not always distinguish sufficiently clearly between paper companies and pulp companies. Pulp is a semi-finished product. It is still a raw material. Paper is a merchantable commodity. There are paper companies that control every stage of their production from start to finish; that, in short, are pulp and paper companies. There are also paper mills that buy all or part of their pulp. And there are companies making pulp alone.

In Canada the paper companies have a better record of success than the pulp companies. In the past few years many of the pulp companies have gotten into rather difficult financial conditions. World conditions have been against them. Other pulp-producing countries have been fighting for the same markets as Canada. There have been wide fluctuations in the price received for the product. It has been a condition militating against good earnings, and many companies have been forced into liquidation. The companies that manufacture pulp only as raw material for themselves—the paper companies—have been dealing with a more stable commodity and have had a more successful earnings record.

There are many big pulp-producing companies in Canada and some of them have attained to a stage of financial importance and success through careful management. They have not suffered financially as similar companies have suffered.

Ultimately Canada will ship but little of its pulp abroad. The tendency for a number of years has been and now is for Canada to develop a paper-making industry that will utilize at home most of the pulp produced in the country. This will lead to greater stabilization of the pulp industry, to increased revenues for Canada, and to a more effective and thorough use of our forest resources. There are in Canada 43 pulp mills, as against 35 paper mills and 32 manufacturing both pulp and paper.

Paper Exports Growing

Perhaps the most gratifying feature of the pulp and paper export record is the fact that exports of paper are growing more rapidly than exports of pulp. Paper is a finished product, while pulp is a product that has gone through only a portion of the stages of manufacture required to make it a useful commodity. Naturally paper brings a higher revenue to Canada for the same amount of raw material used. Completion of the manufacture of pulp into paper within Canada is the more desired in that it provides for the mills Canadian control of all the processes from the forest to the consumer and experience has shown that the self-contained mills have been more successful financially than the mills manufacturing pulp alone.

In 1921, the big year in pulp and paper from the standpoint of valuation, 58 per cent. of Canadian pulp and paper exports represented paper, while in the 1924 fiscal year 67 per cent. of total exports were paper. The record for some years back, showing total exports of paper; of pulp and paper; and the percentage paper exports bear to the total is as follows:

	Total Pulp & Paper	Paper	% of Paper to Total
1911	$ 8,639,984	$ 3,924,452	45
1912	8,960,186	3,885,888	43
1913	11,850,632	6,341,088	55
1914	19,055,373	12,690,549	74
1915	27,107,997	15,500,064	57
1916	28,077,882	20,042,806	70
1917	46,521,877	26,107,824	56
1918	63,506,222	37,865,330	60
1919	83,862,566	49,165,795	58
1920	104,636,901	63,253,419	60
1921	163,655,344	92,103,307	58
1922	105,478,295	69,533,418	66
1923	122,554,889	79,567,941	65
1924	142,131,758	95,957,962	67

Figures are for years to March 31.

Chiefly for Export

The mills manufacturing pulp only manufacture largely for export to the United States.

Canada's exports of pulp have shown a very large increase. But statistics indicate that the growth of pulp exports from Canada has not been as rapid as the growth of paper exports. In 1913 Canada exported $5,509,544 worth of pulp, and in 1923 $46,173,796, or about eight times as much. In the same period the paper exports grew from $6,341,088 to $96,957,962, or fifteen times as much.

In 1913 pulp exports formed about 50 per cent. of the total pulp and paper exports of Canada and in 1924 just a little over 30 per cent. In other words, the very end that would be had in prohibiting the export of pulp from Canada is already being attained by the natural development of the paper industry. Many mills that formerly produced pulp only have installed a newsprint and other types of machines, and are completing the finished product for export themselves.

The Different Products

There are a number of kinds of pulp manufactured in Canada and exported. Groundwood pulp, which is the chief constituent of newsprint paper, forms the largest part of the 2,469,305 tons of wood pulp that was produced in Canada in 1923. A total of 1,449,106 tons of groundwood pulp was produced. The wood pulp produced in that year and the uses to which it was put are shown in the following table:

Production 1922

	Tons
Groundwood pulp	1,449,106
Soda fibre	1,453
Sulphite, bleached	204,297
Do., unbleached	545,371
Sulphate	224,813
Screenings	43,966
Made for own use	1,400,454
Made for sale in Canada	217,427
Made for export	851,424
Divided as follows:	
Groundwood Pulp	
Made for own use	1,020,017
Made for sale in Canada	43,611
Made for Export	385,478
Total	1,449,106
Soda Pulp	
Made for own use	1,453
Made for sale in Canada.....	....
Made for export	....
Total	1,453
Sulphite, Bleached	
Made for own use	23,742
Made for sale in Canada....	117,618
Made for export	62,937
Total	204,297
Sulphite, Unbleached	
Made for own use	287,141
Made for sale in Canada.....	35,978
Made for export	222,255
Total	545.371
Sulphate	
Made for own use	52,803
Made for sale in Canada ...	9,810
Made for export	162,200
Total	224,813
Screenings	
Made for own use	15,068
Made for sale in Canada ...	10,344
Made for export	18,554
Total	43,966

The United States is the chief market for Canadian wood pulp and absorbs about 85 per cent. of our total exports. We ship some sulphite pulp to Japan and a certain amount of all grades of pulp to the United Kingdom, and France. In the fiscal year 1921, Canada shipped wood pulp to a great many different nations, but this trade has not been held in many cases.

Some figures on the export of pulp from Canada by classes are shown in the following table:

Kinds of Pulp and Countries to which Exported	Quantity Tons	Value $
Total wood-pulp exported	875,359	47,027,496
Mechanical pulp ..	341,107	11,599,323
Chemical fibre	534,252	35,428,173
To United Kingdom..	130,572	4,943,909
Mechanical plup ..	99,851	3,308,927
Chemical fibre	30,721	1,634,982
To United States....	678,081	38,796,893
Mechanical pulp ..	216,957	7,522,477
Chemical fibre	461,124	31,274,416
To other countries..	66.706	3,286,694
Mechanical pulp ..	24,298	767,919
Chemical fibre	42,408	2,518,775

It is apparent then that Canada's pulp-producing industry—representing a capital investment of over $140,000,000 in mills that produce no paper—is important entirely apart from the paper industry.

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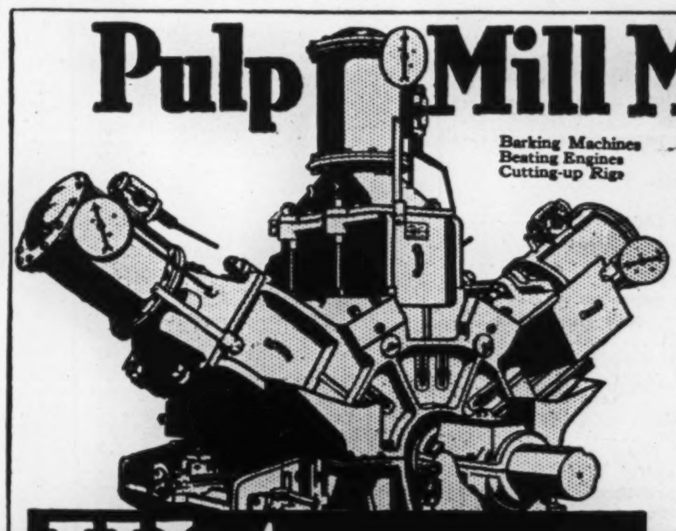

Pulp Mill Machinery
Barking Machines
Beating Engines
Cutting-up Rigs
Centrifugal Pumps
Centrifugal Screens
Chippers
Chip Screens
Cut Wood and Refuse Conveyors
Cylinder Moulds
Pulp Wood Grinders
Log Haul-ups
Sulphur Burners
Success Screens
Wet Machines
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How Much the Newsprint Mills Must Earn to Meet Dividends

A Comparison of the Bonded Indebtedness, Capitalization, Market Value and Changes Per Ton of the Leading Producers of Newsprint in Canada

IN SIZING up pulp and paper securities, investment houses sometimes work out their comparative capitalization and bonded indebtedness per ton of paper produced every day. In this way it is possible to figure out just how much profit has to be earned on the paper produced by each mill in order to pay its bond interest and dividends.

As a comparative study the method has weaknesses, for mills vary in their other costs—such as wood power and labor—but the comparison is interesting and when applied to Canadian newsprint mills brings out some worth-while data.

Six of the leading newsprint companies, in the securities of which investors have a distinct interest, are reviewed. Such mills as Brompton Wayagamack, Provincial and Howard Smith, are not discussed because the manufacture of newsprint is not their chief end, and comparison with the newsprint mills would be unfair.

Abitibi Power and Paper

Abitibi has a total bonded indebtedness of $11,004,900, preferred stock to the amount of $1,000,000, and 250,000 shares of common stock outstanding. This gives it a total bonded indebtedness of $22 0000 per ton of daily production. Abitibi's bonded indebtedness is the highest per ton of daily production of any of the newsprint mills under discussion, to some extent explained by the fact that the company has invested heavily in power development, and the rather heavy fixed charges that must be earned and paid on each ton of pulp produced are to some extent compensated for by the fact that the company is one of the lowest cost producers of newsprint in Canada. What it pays out in fixed charges it saves in timber supply and other costs.

Abitibi has to earn about $5.25 a ton to pay its bond interest and preferred stock dividend. To pay a dividend at the rate of $4 per share per annum on the common, which is the present rate, it is necessary to earn close to $12 per ton, and for a dividend of $6 per annum a little over $15 per ton would be required for fixed charges and dividends.

Belgo-Canadian Paper

Belgo-Canadian, newly re-bonded has a bonded indebtedness of $21,000 per ton, although it has not developed any power. On the other hand its limits are among the most valuable in Canada. It also has a substantial block of preferred stock outstanding. To pay bond interest and preferred dividends it must earn $6.30 per ton of paper produced. This figure, considered in conjunction with the fact that Belgo is a low-cost producer of newsprint suggests that dividends can be earned on the common stock at a very substantial figure. Fixed charges and dividends would take only $9.15 a ton if 4 per cent. were paid, and $10.55 per ton if 6 per cent. were paid. For an 8 per cent. dividend on the common the total payments would amount to $13.10 per ton.

The Laurentide Company

Laurentide has no bonded indebtedness and no preferred stock outstanding. To continue its present dividend of 6 per cent. it seems at first glance that Laurentide must earn $13.80 per ton of newsprint produced. But this figure does not allow for the fact that Laurentide has a controlling interest in the Laurentide Power Company and derives each year a substantial income from dividends from the power sales of that company.

Price Brothers

Price Bros. have a bonded debt of $10,000,000, or $20,000 per ton on the basis of the output the company now has with its new mill at Kenogami running. The construction of this mill has been provided for by the sale of the $10,000,000 of bonds. Bond interest takes $3.75 per ton on this production, and the 2 per cent. dividend takes $3.45 per ton additional, or $7.20 per ton in all. The full capitalization has not been taken, in considering the amount that would have to be earned per ton, for Price Brothers is a large operator in the lumber business, having ten saw mills going. The sum of $15,000,000 of the capital stock has been deducted from the outstanding capitalization to allow for this portion of the business, although at the moment the business is not highly profitable.

If the $15 000,000 allowance for lumber production be dispensed with. Price Brothers must earn $9.45 per ton to meet its present interest and dividend requirements, and $15.15 per ton to double its present dividend. Price Brothers is going ahead with a new mill to bring its daily production to 900 tons. The cost of the new mill will be met by the issuance of new bonds, and the money can be borrowed at low rates of interest. As the timber supply and power supply of the company provide raw material at low cost, it will likely be shown that the final line-up of Price Brothers' capitalization will indicate a decidedly favorable outlook for larger dividends.

St. Maurice Paper

The St. Maurice Paper Company like the Laurentide, has neither bonds nor preference stock outstanding. The amount that must be earned per ton to pay the present dividend of 6 per cent. is difficult to figure because of the fact that the company produces in addition to newsprint, a great deal more pulp than it uses. but a close calculation places it at just about $17.50 per ton, without considering the profits on the other business. This makes no allowance for increased production that is being arranged.

Spanish River

Spanish River is the largest newsprint producer and has a bonded indebtedness of $15,000 per ton.

Spanish River's bonded indebtedness is $10,605,593, and there is in addition $8,618,600 of preferred stock outstanding. To pay bond interest dividends on the preferred stock and the proportion of the dividends that is payable to bondholders takes $7.50 per ton of production. This means that to continue the present dividend of 7 per cent. on preferred and common, a total of $10.50 per ton must be paid out. This indicates Spanish River's favorable position as regards possible dividend increases.

Can Capitalization be Compared?

Attempts have been made too to compare the companies on the basis of capitalization per ton of production either on the basis of tons per day or tons per year. But here factors enter in that make fair comparison difficult. One such comparison for instance, could take the total capitalization of the Abitibi Company as $17,706,900, which averages out at $35,400 per ton of daily production, and puts it at the front of the list as having the lowest capitalization pe ton of daily production of any of the newsprint mills. This is giving each no par value share of Abitibi an arbitrary par value of $20, which is the figure at which the stock is carried in the company's balance sheet. But it is perhaps just as fair to give the shares a valuation for purpose of the comparison of $100 a share and this gives Abitibi the highest capitalization per ton of daily production of any of the companies, or $75,400.

But for the statistically inclined comparative figures are given of the six companies on this basis. St Maurice's production is taken at 115 tons per day. Price Brothers again allows for lumber as above. The projected production of Price is also counted on.

Abitibi	$35,400 or $75 000
Belgo	53 900
Laurentide	72 000
Price Brothers	75,300
St. Maurice	68.600
Spanish River	47,000

The Market's Valuation

A much more valuable and interesting compilation regarding the newsprint companies is to figure the market value per ton of daily production. In the case of the six leaders this works out as below. This shows that the market places a value of about $50,000 on the companies for each ton of paper that can be produced in a day. It is higher for the companies that have no bonded indebtedness. The figure for Belgo is arbitrary, the common being taken at $100, but it indicates that the present capitalization is very fair.

Newsprint mills are often valued at $35,000 a ton of daily production to which would have to be added the value of pulpwood in limits controlled. railways, townsites, etc.

The comparison is as follows:

	Daily Tonnage	Market value of securities outstanding	
		Total	Per ton
Abitibi	500	$27.000.000	$54.000
Belgo	380	18.300 000	47.500
Laurentide	360	25.300.000	70.000
Price Bros.	500	28,500.000	57.000
St. Maurice	115	9.000.000	78.250
Spanish River	680	30,800,000	45,300

Nashwaak Has Doubled Capacity of Its Mill

Nashwaak Pulp and Paper has recently doubled its capacity. This mill is at St. John, N. B. and manufactures sulphite pulp. The additions to the plant are now in operation.

The company also completely reorganized its operating staff, and retained F. W. Brown as mill manager. Mr. Brown was formerly in charge of sulphite operations for Brown Corporation, Hollingsworth and Whitney and Fraser Companies Limited.

The result is to-day that this plant is employing more men and is producing more and better pulp than it ever did before.

Hugh J. Chisholm, president of the Oxford Paper Company, is also president of this corporation; C. A. Gordon, vice-president of the Oxford Co. is a vice-president of the Nashwaak and F. T. Tufts, treasurer of the Oxford Paper Company, is treasurer. Howard E. Breedy is vice-president and general manager.

FISH FOR THE PRAIRIES

OTTAWA.—About 160.000.000 nickerel fry have been distributed from the fish hatcheries operated by the Federal Department of Marine and Fisheries in Ontario, Manitoba and Saskatchewan this season. Over 11.000,000 fry were distributed in Manitoba; 2,000,000 in Saskatchewan, and the balance in Ontario.

DAWES STRIKES OUT AT THE REDS AND SOCIALISTS

(Continued from page 1)

icalism, socialism, marching under the red flag. With all the vigor he possesses he declares that the contest is one between the forces that make for law, order, and general stability, against the forces of unrest, which, knowing not where they are going would lead the public from bad to worse. He stands for the constitution against those innovators who would open the door unduly to dangerous changes.

General Dawes' speech made it quite evident that he considered La Follette and the forces behind him far more important in the campaign than Dawes and the Democrats. He touched upon the Democratic candidate rather lightly, and, except on one or two matters, was inclined to dismiss him. But not so La Follette. He knows well that if the Republicans are defeated, it probably will be because of La Follette's inroads in the northwestern states. So La Follette got the heavy blows. The audience was also reminded that behind him marched Debs and his socialists with the red flag.

Makes Good Impression

Probably the most noticeable feature of Gen. Dawes' speech was the high moral tone which he struck. This may surprise many people, who, reading of his proneness to profanity, may be inclined to doubt his ability to make such an appeal. The writer does not pretend to be an authority on the General's character, but one has to report him as one has found him. Such being the case, one cannot but say that Dawes rings true. He seems inclined to be a bit of a braggart, and to place considerable dependence on vehemence, but he is a real red-blooded man, with all the wholesome qualities that go with such a type. He makes a strong appeal on the ground that the policy he advocates is both reasonable and right. He is a champion of the old-fashioned virtues of clean-living, industry, loyalty and what is generally comprehended with the term commonsense and right.

Gen. Dawes' speech was not long hardly more than 35 or 40 minutes at the outside, but it was packed full of meat. He covered much ground; being enabled to do so because he did not attempt to prove a lot of self-evident propositions. Proceeding on the assumption that his hearers were average, well informed, commonsense people, he took the shortest cut to convey to them his thought.

A Practical Economist

Being a successful financier, and an authority on the European situation, insofar as its business side is concerned, economic issues naturally had a leading place in his address. But he had an instinctive recognition that, after all, people respond most readily to an appeal to an ideal. It is a great thing when a speaker can make a double-barrelled appeal. Dawes can do it, because in addition to his high business reputation he is known as a hater of cant and sham.

He naturally made much of the fact that whereas in 1921 the national expenditure was over $5,000,000,000, it had been cut by over $2,000,000,000 a year. He strongly defended the tariff legislation, which, by keeping out the cheap goods of Europe, had provided work for the American mechanic, and reminded the latter that if he was well advised he would not go monkeying much with the tariff. He then proceeded to warn labor of the danger of being led away by professional demagogues, venturing the opinion that after all the working man had too much good sense to permit of this. Then he disclosed the true nature of the forces behind La Follette, and the risk that the country ran in supporting him.

All this was very important, but it did not constitute the best part of the speech. This had to do with the Ku Klux Klan issue. Pattangall, the Democratic candidate for governor in Maine, had put to Dawes a few pertinent questions about the Klan, and the General decided that he would not run away from them, but would speak plainly. That he did so on this occasion demonstrated his courage, for on the platform with him stood Brewster, the Republican candidate for governor, who has been receiving Klan support. But Dawes could not help that; the truth had to be told and here was as good a place as any to tell it. He plainly said that Klan methods would not do, for, in proportion as men took the law into their own hands, they took up arms against constituted authority, which could not be tolerated. Delivered under the conditions existing, it was a very effective plea for the observance of law and order, the timeliness of which is generally recognized. This was the chief feature of the speech.

He Should Go Far

Given ordinary luck, Dawes should go far in the political world. He has the qualities of a real leader, a type so much needed to-day. He is also a first-class fighting man. Men of affairs naturally trust him, because they know where he stands. He is the very opposite of the "pussy-footer." He also has the vigor to see a policy through. After hearing him one could easily understand how, under his direction, the budget has been a decided success at Washington. He not only had a good system, but, having been given a free hand, he had the courage to put his proposals into effect. When the officials saw that he meant business they lined up.

In days like these, men of the Dawes type will go very far in international as well as national politics. The problems of the reconstruction period are essentially of an economic nature, and only men of marked business ability and training can deal successfully with them. For this reason they have a decided advantage over the statesmen of the old order, who, trained in a school indifferent to business, thought more of diplomacy per se, and literature. But since the nations must get back on their feet in a business way, the old school of statesmen must sit back and allow those of the newer school to take the lead. Herein lies the great advantage of the latter. Having got the chance, they make good use of it, for their business training teaches them to take the shortest cut to their goal. This means the eliminating of a lot of the old diplomatic maneuvering.

Dawes has no hesitation in saying that there is a big fight on in the United States. In the eastern states it seems to be all Coolidge, but in a few of the pivotal and northwestern states the situation is by no means so clear. But it is quite evident that the sane business people intend to make one of the most strenuous fights in the history of the republic.

Who Wouldn't Have Faith Looking at This Record?

Year	Paper	Chemical Pulp	Mechanical Pulp	Total
1911	$ 3,924,452	$ 1,308,101	$ 4,407,431	$ 8,639,984
1912	3,885,881	1,587,533	3,506,770	8,960,186
1913	6,341,088	2,100,842	3,408,702	11,850,632
1914	12,690,549	2,923,083	3,441,741	19,055,373
1915	15,500,064	4,806,622	6,801,011	27,107,997
1916	20,042,806	4,459,539	3,575,537	28,077,882
1917	26,107,824	14,032,920	6,371,133	46,521,877
1918	37,865,330	19,133,813	6,487,079	63,506,222
1919	49,165,795	30,226,856	4,479,915	83,862,566
1920	63,253,419	33,000,063	8,383,419	104,636,901
1921	92,103,307	55,060,219	16,491,818	163,655,344
1922	69,533,418	25,468,785	10,456,092	105,478,295
1923	79,567,941	33,434,056	9,552,892	122,554,889
1924	96,957,962	35,041,619	11,132,177	143,131,758

Fitting the Investor's Needs

No one type of investment can possibly suit all cases. Investors have needs which are widely varied.

Some who have not made a specialized study of investments desire securities which will need a minimum of attention and which will afford, at the same time, the maximum of safety—investments which will never occasion a moment's worry, and which will retain their dependability.

Some require investments that will mature in a short time. Others require investments that can be instantly marketed. Some desire to invest large amounts at one time; others, small amounts at frequent intervals.

The business man, in constant contact with business and investment problems, may like a wider range of securities and may need them for a great variety of purposes—either personally or in his business reserves or special funds. These indicate but a few of the needs.

Thirty-five years of specializing in fitting investments to individual needs are at your service without the slightest obligation on your part. Inquiries invited on all investment matters.

A. E. AMES & CO.

Established 1889. Investment Securities

MONTREAL **53 KING STREET W.** *NEW YORK*
VICTORIA **TORONTO** *CHICAGO*

Expansion

Our new newsprint mill, now under construction, and the new sulphite mill, that will double our present capacity, are tangible proof of the E. B. Eddy Company's faith in Canada's future.

Since the days when Ezra B. Eddy made matches by hand in a modest little work shop on the banks of the Ottawa River, the E. B. Eddy Company has enjoyed a steady and healthy growth, keeping pace with the development of Canada's natural resources.

Its premier place in the industry to-day is due to the broad vision, the foresight and the untiring effort of its founder and the men who have come after him.

Upon completion of present construction work, daily output of the Eddy mills will be

120,000,000 MATCHES
7 TONS TISSUE
25 TONS BOARD
155 TONS NEWSPRINT
1,000,000 PAPER BAGS
8 TONS BAGS AND MANILA
15 TONS WRAPPING PAPER
10 TONS BOOK AND WRITING PAPER

THE E. B. EDDY CO. LTD.
HULL, CANADA

RECORDS ARE SET IN THE NEWSPRINT PRODUCING FIELD

Daily Newspaper Habit Universal North of Rio Grande

CANADA CLIMBING

Increase in 1923 Over 1921 Was 50% in Canada— U.S. Increased Less

By ROYAL S. KELLOGG.*

THE production of news print paper in North America hung up a new record in 1923, the total for the United States and Canada surpassing by 218,000 tons or nearly 9 per cent., the previous high mark of 2.530,000 tons in 1922.

The United States mills produced 1,485,000 tons of news print or 37,000 tons more than in 1922 and also more than any previous year except 1920, when the total was 1,512,000 tons. In 1920, however, the output of the regular news print mills in the United States was supplemented by perhaps 80,000 tons from the so-called marginal mills, which have not contributed so heavily to the news print supply since that time of abnormally high prices.

Canada's Output Growing

The rapid development of news print manufacture in Canada is strikingly shown by the fact that the output last year was 1,263,000 tons or 181,000 tons more than in 1922 and 455,000 tons or 56 per cent. more than in 1921.

In addition to these totals for the United States and Canada, 64,000 tons of news print was produced in Newfoundland and 12,000 tons in the one mill in Mexico, which makes news print, thus giving a production of 2,824,000 tons for the North American continent, or two-thirds of all the news print paper produced in the world.

In addition to this record-breaking production, with over 80 per cent. of Canada's news print marketed in the United States, some 200,000 tons of Scandinavian, German and Finnish news print paper was sent to the publishers in Uncle Sam's domain in 1923, compared with 133,000 tons in 1922 and 135,000 tons in 1921.

As the production figures suggest, the consumption of news print paper in the United States reached a new high record in 1923. In round numbers it was 15 per cent. more than in 1922 and 28 per cent. more than in 1920.

Consumption 50 Lbs. a Head

Adding imports to domestic production and deducting the small amount of exports, there was 50 lbs. per capita of newsprint paper available for consumption in the United States in 1923 compared with 15 lbs. in 1900. This increase of 230 per cent. in per capita consumption in 23 years explains why the United States uses more news print paper than all the other countries of the world combined.

Advertising as usual was an important factor in determining the quantity of news print used in 1923, but influential also were the large sizes of the daily and Sunday issues and the growth in circulation. There are some 60 newspapers in the United States, each having a circulation in excess of 100,000 copies. During 1923 these dailies averaged 27 pages and the Sunday issues 101 pages—sizes never before attained.

There are more than 22,000 newspapers in the United States and Canada, of which some 18,000 are monthlies and country weeklies, while the circulation of the 2,000-odd English language dailies is approximately 31,000,000 for the week-day issues and 21,000,000 for the Sunday issues. A well-known newspaper has increased in circulation from 93,000 copies to 584,000 copies of its daily issues since 1903, and from 196,000 copies to 932,000 copies for the Sunday issues in the past 20 years, and this is by no means an isolated example of newspaper growth. There is now a copy of a daily paper published for every family in the United States and Canada. The daily newspaper habit is well-nigh universal north of the Rio Grande.

Newspaper Advertising Greatest

The total volume of newspaper advertising in the leading cities of the United States showed an increase in 1923 over 1922 of 7 per cent. and of 2 per cent. over the 1920 record figure. The newspapers fared even better than the magazines in the advertising field, since the volume of advertising in the National periodicals was 19 per cent. more in 1923 than in 1922, but still 21 per cent. behind the 1920 total.

The large volume of advertising, both periodical and newspaper, planned for and to be expected during 1924 is a matter of common knowledge. It looks as if the time were not far distant when the total yearly expenditure for advertising by means of the printed page in North America would be one billion dollars.

A Billion and a Half Industry

Paper manufacturing in North America is a billion and a half dollar industry with the production of news print making up a very respectable proportion of the total investment and further notable developments under way. There were 10 new machines with a total daily capacity of 670 tons which came into production in 1923, and four more of 385 tons capacity are scheduled for this month. The North American news print mills now have a rated capacity of 10,000 tons daily with further substantial additions under way for the latter part of the year and for 1925, so that there should be no need for any newspaper publisher to go abroad for his supply of white paper.

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*Abstract of reports made by R. S. Kellogg, secretary, at the annual meeting of the News Print Service Bureau, in Montreal.

CAN. PAPERBOARD LEADER IN ITS FIELD

Company Has Completed Financing—Working Capital in Improved Condition

Canadian Paperboard Company completed its financing during the past year, and has now the benefit of the additional working capital provided. The company has made considerable improvements to its three plants at Frankford and Cambellford, Ontario, and at Montreal. As the largest manufacturer of paperboard in Canada it has endeavored to keep its plants in the most efficient condition.

Canadian Paperboard has developed very rapidly during the past few years because of the almost universal adoption of its type of product for cartons and containers. Package goods, especially in the grocery and drug field, have almost displaced the bulk sale of commodities, and this has enormously increased the market for paperboard.

Paperboard is made by processes similar to ordinary paper, except that it is run through at much smaller speed, and a much thicker product is produced. The raw materials used consist chiefly of waste paper, which can be obtained in abundant quantities and which at the present time is selling at much below the steep levels reached during the difficult period of two or three years ago. A certain amount of groundwood pulp is also used, and this is manufactured by Canadian Paperboard.

The stock of the company is very closely held, but there is an issue of $800,000 of first mortgage bonds in the hands of Canadian investors.

CAPITALIZATION

	Outstanding
Common stock	$2,100,500
Bonded Indebtedness	
7% 1st mtge. bonds	$800,000

Timber Supply.—3,000 cords purchased yearly.

Properties consist of plants at Montreal P.Q., Frankford and Campbellford and power development at all three plants now under way.

Production consists of 30,000 tons annually of paperboard of all grades and varieties, also 10,000 tons yearly of groundwood pulp.

Directors.—J. G. G. Kerry, president; J. R. Walker, vice-pres.; J. A. O'Brien, Ottawa; John Kerry, B.C.L., Montreal; Hon. E. D. Smith, Winona; J. N. Rougvie, C.A., Ottawa; David F. Robertson, general manager, Montreal.

Assets	
The fixed assets of the company certified by auditors amount to	$2,234,734
Surplus of current assets over current liabilities	619,205
Total assets (not including goodwill, contracts, etc.)	$2,853,940
Earnings	
Earnings available for bond interest for past six years have averaged	$145,352
Earnings for calendar year 1923	191,000
Earnings for 9 months ending March 31, 1924	141,278

International's Paper Output Enormous

Increased activity in Canada on the part of the International Paper Company has drawn the attention of Canadian investors to this company more than ever before. It seems quite likely that a substantial Canadian investment holding of International Paper securities will be built up. This will have a tendency to make the company much better known to Canadians when its wide and important interests and activities in this country may come to be recognized.

International Paper some time ago constructed a fine newsprint mill at Three Rivers, largely in order to utilize its Canadian timber which cannot be exported to the United States. The mill was designed for normal production of 240 tons of newsprint paper per day, and is now producing an average of 310 tons per day.

The company has already announced that, owing to free trade conditions in United States, any future expansion of the International newsprint mills will probably be in Canada where the company possesses not only vast holdings of timber land. but also extensive water powers and the right to a large additional water electric power at a low price. The International has in contemplation at the moment an extensive development in Canada. These will take shape shortly in the construction of a new newsprint mill. The site of this mill has not yet been determined upon, but will likely be decided after the sale by the liquidator of the Riordon property. The International may buy in some of the Riordon properties for conversion into newsprint mills, or may erect a mill at Three Rivers or Batiscan.

Already the International is converting many of its American plants into water power plants. It is possible to get a better profit out of marketing the power at such plants than using it to convert wood into paper. The paper production thus lost will be made up by expansion in Canada.

The International is the largest manufacturer of paper in the world, and produces over half a million tons of paper yearly. This is more than twice as much as its near competitor in the field of paper manufacture. It is, therefore, of the utmost importance to Canada that the International should have decided to expand its Canadian operations.

International had a good year financially in 1923, and net profits of $3,800,000 compared with the losses of $7,500,000 in the preceding year. This loss was largely due in 1922 to charging down to then existing market price the pulpwood necessarily accumulated at high cost to insure the continued operations of the mills during and immediately after the war. International common stock is now paying a dividend, but the feeling is that if the company has as good a year for 1924 as anticipated that a dividend on the common stock will be in order early in 1925.

International Paper stock is listed in New York. It has not yet been listed on the Montreal or Toronto Stock Exchanges, but as Canadian interest in the company grows it will not be surprising if some steps are taken to list the stock in Canada.

Riordon and Saguenay

The Riordon Company, the Riordon Pulp and Paper Company, the Saguenay Pulp and Power Company, the Chicoutimi Pulp Company, and the St. Lawrence Pulp and Lumber Corporation, comprise two groups of companies whose affairs are now being untangled after liquidation proceedings were begun. Any information that could be given would be out of date in a few weeks, and for that reason detailed reviews of these companies are omitted from this issue.

Without Paper no Packages

Without Paper no Education

CUSHI..
TELLER
CHECK BOOK
Without Paper no Commerce

Greenshields & Co. have been identified with the financing of many Canadian pulp and paper companies and have been the medium through which many millions of dollars have been supplied for the upbuilding of Canada's greatest industry.

Greenshields & Co.

INVESTMENT BANKERS

17 St. John Street, Montreal
also Mount Royal Hotel Building

TORONTO
14 King Street E.

OTTAWA
46 Elgin Street

Port Alfred

Pulp and Paper Corporation

PORT ALFRED Pulp and Paper Corporation, is one of Canada's largest producers of sulphite pulp. Its mill at Port Alfred, P. Q., on the Saguenay River, has been constructed and equipped according to the best modern practice and has an annual capacity of 48,000 tons of pulp.

The mill is ideally situated. Ocean-going vessels can dock at the site. Railway connections are equally satisfactory. Combined with this ease of communication with markets, coal supply, etc., is the advantage of proximity to timber supply.

The company owns or leases timber lands containing over four million cords of pulpwood and can buy from points at tide water over 50,000 cords annually at most favorable rates.

Port Alfred Pulp and Paper Corporation manufactures a high grade sulphite pulp that is in keen demand in pulp consuming markets. This is at present the only product, but plans are under consideration looking to the construction of a newsprint paper mill in the not far distant future. Cheap power will be available from the Duke-Price Power Company.

Head Office, 412 Insurance Exchange Bldg., Montreal

Mills, Port Alfred, P. Q.

What Role are You Playing in the Drama of Our Forests?

Stockholders Have Future of Their Investments in Their Own Hands and Can Bring About Proper Protection of Our Great Forest Heritage

TAKING it for granted that Canada has "inexhaustible" supplies of timber, the average folk in this country have refused to get excited over any possibility of danger to our great forest industries through rapid depletion of our forest resources. This is exactly as it was in the United States. Gifford Pinchot, Theodore Roosevelt, and other leaders of public opinion shouted their heads off about the need for conservation, but it was not until the forests of the United States were definitely within a few feet of the goal line that is labelled extinction that the public itself took any real interest and began to call for a firm measure to buck impending disaster.

We are only beginning to realize in Canada that we have not got inexhaustible forest resources; to realize that our forest heritage is being wasted by saw, insect and fire, at a far greater rate than nature can grow new trees to replace those that are disappearing. We are only beginning to realize that many of our existing saw mills, pulp mills and paper mills are now far away from forests that were once at their very doors.

The End Seems in Sight

Frank Barnjum jolted a lot of people when he said he could show that all the available pulpwood in Canada would be gone in ten years. A lot of people thought he was too pessimistic. Perhaps so, but only in a matter of degree. Ellwood Wilson, one of our leading forestry experts, figures that Quebec will have no pulpwood in twenty-one years, unless drastic measures of protection and regrowth are instituted. R. O. Sweezey, another eminent forestry man, makes a somewhat similar statement. He says that in fifteen or twenty years we will begin to see our forest industries dwindle, ending in complete disaster in forty years, unless something is done. That something he outlines in the brief article appearing in this issue. An article by Ellwood Wilson, on this important subject, also appears in this issue.

There are other eminent experts to back the opinions of Messrs. Sweezey and Wilson. Dr. Clifton D. Howe, Dean of the Faculty of Forestry of the University of Toronto, feels that industries that return $500,000,000 a year to Canada are in danger.

Fire Destroys More Than Axe

It has been estimated that the logger's axe accounts for just one-tenth of the logs that fall in our Canadian forests each year. Nine-tenths of the slaughter is due to the fire fiend. Probably these figures would be revised according to more recent estimates, for insects have been responsible for much of the recent loss in Canadian forests.

Mr. Wilson has gone so far as to say that the most important question facing the people of Canada today is proper protection and use of the forests. You may say that immigration is more important, but Mr. Wilson says that you are wrong. Without forests our country cannot support immigrants. Our pulpwood and our population leave for the United States on the same train.

The first step in the proper handling of our forests is to prevent fire. We cannot insure them, for the insurance money will not replace them. Trees, once consumed, cannot be replaced for a half century or more and we are rapidly coming to a point where our timber which is now merchantable will be cut off and there will be no succeeding crop to replace it. A survey of over 20,000 square miles southwest of James Bay, where everyone supposed we had an enormous reserve of timber, shows that the actual amount is negligible and difficult of access. The explorers working for the Quebec Government and others report 60 per cent. of the area of the north shore of the St. Lawrence to be burnt. In the last 12 years 1-7 of the area of the St. Maurice Valley has been burnt. In all these cases, the wood is not entirely destroyed, there is some salvage, but the future crop is postponed for 70 to 100 years, and in many cases the soil is burnt and no future crop is possible.

Cutting More Than We Grow

The latest figures compiled by the Dominion Bureau of Statistics of all unmanufactured wood cut from Canadian forests. is two and one-quarter billion cubic feet, and the best estimate of the annual growth is two billion cubic feet. We are therefore cutting two hundred and fifty million feet more each year than grows and this without counting the loss from fire, wind, insect, and fungi. We are living on our principal and the result will be bankruptcy. What is to be done? Fortunately the situation in Canada makes action relatively easy. Ninety per cent. of the timberland belongs to the pepole. If we can make the people of Canada understand the situation, the forests are saved. You cannot leave this matter to the government officials entirely, for it takes courage and statesmanship to handle the situation, also money. Government officials cannot afford to take the lead for fear of losing their jobs. Some years ago when I went to see a Minister of the Crown and asked him to take the necessary steps to prevent forest fires, he said: "I will not do what you ask until public opinion forces me." In one month public opinion did force him.

Foresters Urge Action

This is the Governmental attitude. For years, the foresters of Canada have been urging action on the governments. Very little result. We must have an enlightened public opinion, but as one of the best workers in forestry said a short time ago: "I am afraid that an enlightened public opinion and a vanished forest will arrive simultaneously." The revenues from the forests of Canada are really out of capital and do not represent income, and instead of being devoted to the maintenance of forest productivity they are being used for current expenses. In spite of the large revenue derived from the forests, not enough money is being spent on forest protection.

A very large portion of the timber lands are leased to pulp and paper companies, large and small lumbermen, and the Governments are trying to make them pay the cost of protection in addition to the stumpage dues and ground rents. As this puts up the cost of production the lessees want to see the money spent as effectively as possible and so have organized co-operative forest protective associations which have been moderately successful, but here again there have been some limit holders who were not very well off and others who were parsimonious and wanted to keep down expenses, hoping that there would be no fires, with the result that more money was spent in fire fighting than an efficient system of protection would have cost. There is a curious disinclination on the part both of the Government and the limit holders to get right down to brass tacks, face the situation and take the necessary action to stop forest fires.

What to do About it

So much for the present situation. What is to be done about it? First, there must be an intensive campaign of education. In educating the general public, we have the Canadian Forestry Association, with its magazine, its traveling cars and lectures and its work with the school children. The Dominion government cut the grant of the association last year $4,000, and every interested citizen should use his influence with his member of parliament to have the Dominion and Provincial governments make really adequate provision for the carrying on of the association's work instead of having amateur publicity agents in government departments trying to do it. Men who know the country and the subject should be sent every winter into the districts known to be dangerous, to go into each house and instruct the farmers and settlers, who are also fishermen, hunters, trappers, on the necessity of care in burning their clearings and in smoking and building camp fires in the woods. They should be taught that fire is a common enemy and that it is the first duty of every man to put out a fire as soon as he discovers it and not to wait for a fire ranger.

The present laws in regard to forest fires should be enforced without fear or favor and new laws passed which experience has shown to be necessary.

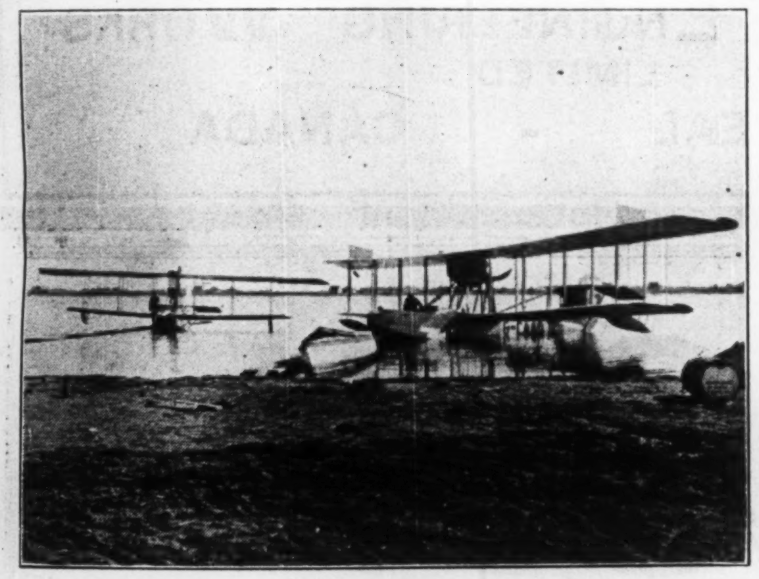
In each province a specially qualified and experienced forester should be put in charge of fire protection, with authority to choose his personnel unhampered by political influence, and with an adequate budget. He should have supervision of all Government and co-operative fire prevention agencies and have authority to call on every citizen and organization for help.

The necessary capital should be invested in lookout towers, telephone and radio equipment and aeroplanes. The forest should be made accessible for transport of men and equipment for fighting fires and permanent stations with crews of trained fire fighters should be located in each district during the fire season. The man without experience in fire fighting is absolutely useless and it is not exaggerating to say that one experienced man is worth twenty green ones.

New and Better Methods

The new method of predicting dangerous days for fire by means of moisture determinations of the air and duff, so far unused in Canada, should be employed so that the fire fighters can be warned of dangerous conditions beforehand and take the necessary precautions. The old fashioned canoe patrol should be abandoned.

In newly settled districts where lands are being cleared there should be a competent man to issue permits to burn and he should assist the settlers to burn their slash before the dry weather comes in the spring, and he should be paid either a straight salary or so much for each clearing safely burned and not, as at present, by the number of permits issued.



Aeroplanes are now used for forest patrol.

RSC INVESTMENT-SERVICE

Financing Canada's Pulp, Paper and Lumber Industry

The development of the Canadian pulp, paper and lumber industry in recent years is a matter of common knowledge.

Its substantial growth to the position of Canada's largest manufacturing export industry has profited those Canadians who supplied the capital which made this development possible.

Diminution of forests in other countries has brought about an increasing dependence upon Canada's resources. The world's greatest market for forest products—the United States—is at our door. These conditions make it obvious that the future growth of the industry will be limited only by the extent of our productive facilities.

Royal Securities Corporation has always been prominently associated with the financing of Canadian pulp, paper and lumber enterprises. Among the corporations whose securities we have underwritten and distributed are:

Abitibi Power & Paper Company,
Bathurst Company,
Continental Paper Products,
Donnacona Paper Company,
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Price Bros. & Company,
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SWEDISH FORESTS TO LAST FOREVER BY CAREFUL USE

Lesson to Canada in Proper Conservation in Scandinavia

While Canada is, as yet, rapidly depleting her forests, Sweden has learned to conserve her forests. Sweden goes further and practically lives on the re-growth of its forests.

More than half the total area of Sweden is forested. There are 55,000,000 acres, of which 13,000,000 acres are national forests. Normally, before the war, the exports of forest products aggregated $90,000,000, or nearly half the total exports. The law requires cutting close to the ground and close utilization of by-products. The principal species are Norway pine and spruce, similar to that in the State of Washington. The timber matures at about 100 years. Reforestation is carried on so large a scale by both the government and private owners that the statement may be accepted that the forests of Sweden will never be cut down.

Trees are cut to 3 inches from the ground. Practically all of the timbering operations have accessible river transportation. The logs generally run about 7 inches in diameter and 18 feet—rather poles in Pacific coast lumbering. There is practically no waste either in the woods or the mills. Waste not used for lath, broom handles, or box shooks goes into pulp or charcoal. Lumber is air-dried. American lumber manufacturers may accept the conviction of the commission that there can never be competition in any market with Sweden's lumber, because it is small, short, and full of knots.

Under Control of Government

Government control of the State forests began in 1638, but it was not until 1860 that the government established a forestry policy. In 1875 this policy was extended to taking over more forested land annually. Under this policy the government increased the acreage of state forests from 1,000,000 in 1870 to 15,000,000 in 1915. The government maintains a forest laboratory, studying all questions relating to forestry, with experimental areas all over the country. The College of Forestry was established in 1828. There are seven schools of forestry, and free instruction in all state colleges and schools. There was no tax before the war on standing timber and very little now.

The forestry laws are enacted to meet the conditions in every part of the country. The specific laws apply only to the sections named. They provide that only trees matured shall be cut and that there shall be reforestation. These laws cover all of the forested land owned by private interests. There is a forest commission in each province, which not only sees that the law is enforced but furthers reforestation. Last year nearly 100,000 acres was reforseted under these commissions. In no country in the world, not even with the efficiency methods of Germany, are the logging of the trees and the utilization of the waste so applied as in Sweden.

Romance in Canadian Exporting

One gets into a romantic atmosphere when one walks through the dock sheds in Montreal or Vancouver. There are boxes of tea from China; bales of silk from France; cases of wines from Spain; olive oil from Italy. Or it may be that a ship is loading up, and you see big packing cases, each containing an automobile; you see long rows of logs of fir or cedar; bales of wrapping paper from Canadian mills. They are going to the seven seas. All this romance is lost in the fat bluebook of Canadian trade that comes out from Ottawa each month, and provides the basis for stories on exports and imports and balances of trade and such abstract subjects.

Exporting is an interesting business. In the United States exporting is considered as the business of "selling the last ten per cent." disposing in foreign markets of the surplus production of American mills. In Canada, exporting is not so much that as attempting to develop our natural resources more rapidly than we could by producing goods for domestic consumption. Exporting from Canada, though, has gone beyond mere salesmanship or mere utilization of the natural advantages given to us, for our political leaders have framed up treaties with various countries, mostly British, that enable the Canadian manufacturer to get his goods into New Zealand, France, Guiana, and other countries, by paying lower tariffs than are charged to manufacturers of other countries.

Selling Suspenders Abroad

The effect on the automobile industry is well known. But other industries have benefited. Who would have thought, for instance, that nearly all the men in New Zealand wear Canadian suspenders? There is no factory manufacturing braces or suspenders in New Zealand. American manufacturers tried to invade the market, but Canadian manufacturers found that their goods did not have to pay as high a tariff as did the braces of the maker in the United States, and they sent their salesmen to New Zealand to sell braces. They were successful, and Canada sells many thousands of dollars' worth of these goods in that country every year.

Much the same story can be told of corsets. In the fiscal year 1923, Canada sold more than half a million pairs of corsets in other countries. We sold 125,000 pairs to the women of the British Isles, and twice that many in Australia.

The people of more than fifty countries eat bread made from Canadian flour. This means that Canadian flour is sold in nearly every country of the world, even in such little places as Lettonia, Malta, Poland, St Pierre, and Miquelon, etc. With periodical depressions, sugar refined in Canada competes in other countries with the American and British sugars. The same brands of sugar that are used by the Canadian housewife in her preserving are used in the little republics of Europe, and in the islands of the Pacific.

A Market That Vanished

Sometimes export markets are found but not held. The most amazing example of an export market that was held for one year only was in chocolates. During the war the British people denied themselves confections. Potato chips and a queer, waxy kind of chocolate made with cream, and, presumably, without sugar, a candy that "chewed" like a paraffin candle, were the sole sweetmeats that were enjoyed by the British palate. When the war ended it was impossible to get chocolates enough to fill the demand. The Swiss and Dutch factories were flooded with orders: the French and British factories were yet in war-time dress; German candies were out of the question so near after the signing of peace. One Canadian manufacturer jumped into the market with both feet. One day four ocean liners arrived at Liverpool, each one carrying in its cargoes cases of this Canadian candy. Buyers from Selfridge's, Harrods, and other big British stores, nearly mobbed the Canadian salesmen in their haste to give their orders. In the year following the closing of the war, more than $5,000,000 worth of Canadian candies were sold in the British Isles. In the next year not a dollar's worth was sold. And the British market for Canadian chocolates just doesn't exist to-day. Manufacturers in Canada who doubled the output of their factories on the strength of the British market were only saved from bankruptcy by aggressive sales methods that enlarged their Canadian output.

BIG HONEY EXPORTS

OTTAWA.—Canadian honey available for export this year will total approximately 6,000,000 pounds, according to an estimate made by C. B. Gooderham, Dominion apiarist.

BRAZIL HAS COTTON FUTURE

Reports of record cotton crop in Brazil lead to belief among dealers connected with European trade that Brazil will become an important cotton producing region.

Paper Machinery

A New World's Record

— FOR —

NEWSPRINT PRODUCTION

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KENORA ONTARIO

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Breaks on Machine - - NONE

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PULP & PAPER

Loading and Unloading Pulpwood at Sorel, Que.

WATER POWER IMPORTANT IN THE PAPER INDUSTRY

Estimate 100 h.p. Required to Make Ton of Paper Per Day

MANY INSTALLATIONS

Considerable Activity Now Going on—Many New Mills Are in Prospect

The importance of the pulp and paper industry to the national life of Canada is indicated by certain basic facts brought out by recent statistical investigation. Among these may be mentioned:

1. That the capital investment at January 1. 1923, amounted to over $380,000,000, a figure only exceeded by investment in steam railways and central electric stations.

2. That the exports of the products of the industry during 1922 were valued at approximately $123,000,000, and were of greater value than those of any other group except vegetable products.

3. That the industry maintained a staff of 25,830 persons (exclusive altogether of the men employed in the woods) whose salaries and wages for the year 1922 amounted to $32,918,-555, and that the value of the products for that year totalled $1.55,785,-388.

As it takes practically 100 h.p. to make one ton of paper per day, the indispensability of an abundant supply of low-priced power at once becomes apparent. In any industry, the relative necessity of obtaining cheap and adequate power may be gauged by the amount required per dollar value of product, and, with the possible exception of certain electrochemical and metallurgical processes, the requirements for the manufacture of pulp and paper rank among the highest. It is, therefore, little surprising that over 90 per cent. of the motive power in this industry is derived from the energy of abundant and advantageously located waterfalls.

How Power is Used

While stating the average consumption of power for the conversion of pulpwood into paper as 100 h.p. per ton per day, some average figures based on general conditions in the trade might be quoted to show how this large amount of power is used. One large and representative Canadian mill uses on the average 73 h.p. for each ton of mechanical pulp produced, 67 h.p. of which is for the actual grinding alone. The production of sulphite pulp for mixing with the groundwood pulp required 8.7 h.p. per ton of daily output (in other large mills as high as 30 h.p. was used per ton of sulphite pulp produced) while the conversion of the pulp to newsprint required 12 h.p. for the same unit of output.

The continuous operation of mills in this industry, usually 24 hrs. per day, lends itself to the securing of a very low cost per unit of power used where the power is derived from water, as the main item in this cost is the interest on the capital expended in the hydraulic development, and this remains constant whether the plant operates ten hours per day or twenty-four. The development of the electric steam generator has also become an added factor in reducing this unit cost, in that any surplus or off peak power which may be available can be utilized for producing steam for pulp cooking, drying, heating and similar uses.

Power Installation

Having in mind the rapidly increasing importance of the pulp and paper industry in the development of the commerce and settlement of the country, and the part which our water power resources are destined to play therein, the Dominion Water Power Branch of the Department of the Interior, Ottawa, has conducted special studies in this connection and has gathered much information on power installation and requirements of pulp and paper mills operated by water power or by purchased hydro-electric energy. For the sake of brevity the general term "pulp and paper mills" has been adopted throughout this review as including pulp mills, pulp and paper mills, and paper mills.

At the present time the hydraulic power utilized in the pulp and paper industry totals to 726,375 horsepower, and the rapidly growing change to the elastic electric drive is shown by the fact that 438,708 h.p., or over 60 per cent. of this total, is converted into electricity before use. Of this latter total 210,053 h.p. is connected to generators installed in the mills and power stations belonging to the operating companies, while 228,755 h.p. is purchased from central electric stations. The advantages of this conversion to electricity appear both in the quality of the product, which is improved by the uniform speed obtained, and in the fact that under modern methods of transmission it is possible to develop power at one or more sites more or less remote from centres of labor and transportation, and to transmit it to points where these commodities are available for mill operation, and for providing supplies of raw materials and conveying the finished products to the markets. The best modern practice in pulp mill construction provides for the development of the mill and power sites as separate projects, i.e., the site of transportation while the power station or stations may, if efficiency of development and generation demand it, be placed in positions unfavorable to mill construction. The use of steam as a source of power for this industry is very limited and is, in many cases, prompted by special conditions, such as operation in close connection with the manufacture of lumber when refuse from the latter can be used as fuel under the boilers.

The last completed census conducted by the Dominion Bureau of Statistics, that for the year 1922, shows a steam power installation in pulp and paper mills of only 60,764 h.p., or less than 10 per cent. of the total installation.

Construction Activities

At the present time there is considerable activity in power development for new pulp mill construction, and in providing additional power for existing mills. In this connection interest centres in the great development of the Grand Discharge on the Saguenay River, which will have an ultimate capacity of 420,000 h.p. Much of this great supply is destined for the pulp and paper trade 200,000 h.p. being already stated to be under contract for use by the Price interests. The Western Quebec Paper Mills are erecting a plant at St. Andrews, East, which will have a capacity of 1,800 tons per year of light weight papers, tissues, etc. The St. Regis Paper Company is developing a water power site and building a mill at Godbout, Quebec. The American Perforated Wrapping Paper Company of Albany, N. Y., is building a mill at Sheet Harbor, N. S., with an annual capacity of 25,000 tons to pulp. The company has completed a contract with the Nova Scotia Power Commission for 6,000 hydro-electric horsepower, and the commission is now installing a plant to supply it.

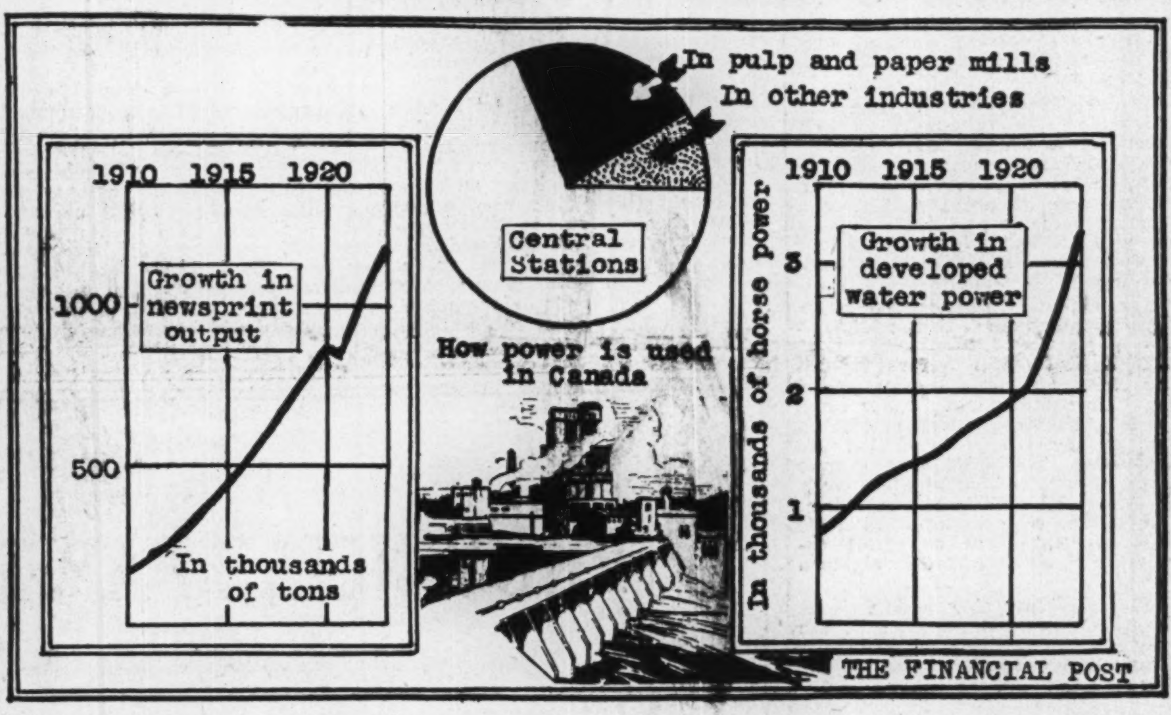
Among new mills in active prospect may be mentioned those of the Manitoba Pulp and Paper Company, near Winnipeg; the Ontario Paper Company at the mouth of the Outardes River, Quebec, the Canada Paper Company near Richmond, Quebec, and a project on the Mogisgan River in Northern Quebec, all of which are associated with projected water power developments.

Future Requirements

With the rapid depletion of pulpwood supplies in the United States, Canada is being more and more depended upon to supply the demand for paper. With the constantly mounting cost of producing power from fuel it is apparent that power for the industry must continue to be produced in ever-growing proportions from water, and Canada is particularly favored in having her water powers widely distributed among ample forests. As the present-day consumption of pulpwood amounts to some 20 000 acres of forest per annum, and following the trend in other commodities, this consumption will most probably assume a rapidly increasing rate, it is apparent that settlement and water power development will steadily extend northward.

With the growth of population and the recession of the pulpwood supplies, other uses for the power left available will be found, and new developments consummated farther north. Pulpwood and water power are the chief factors in connection with future expansion, and Table 5 shows the proportion of these resources available in each province of the Dominion. While in certain areas reforestation methods now being applied will have considerable effect on the future of the industry, from 30 to 100 years will elapse before their influence will be felt, and, in the meantime, natural supplies will have to be depended on to meet the demand. While true conservation of water power consists in its fullest economic development, continuity of supply depends upon the maintenance of suitable forest cover on the drainage basins. This inter-relation of interest emphasizes the necessity of adequate protection of our forests from excessive cutting, fire, insect pests, and disease.

Pulp and Paper Industry and Canada's Water Power Development Have Kept an Even Pace



Plenty of cheap power is an essential of a successful pulp or paper plant, just as essential in fact as an adequate supply of wood that can be cut and brought to the mill at little expense. Canada's water power resources are, then, just as much one of the important raw materials of the pulp and paper industry as Canada's great areas of pulpwood.

There has been an interesting parallel development in the Canadian pulp and paper industry and in the development of water enterprises in the country. This has been most marked in the case of newsprint, which requires more power for its production than most grades of paper. This is because newsprint is 75 per cent. groundwood pulp and it takes 73 horsepower of energy to operate a groundwood mill for each ton of pulp that is to be produced daily. Thus a 100 ton per day groundwood mill requires 7,300 horsepower of energy to drive its grinding machines. Finished newsprint requires 100 horsepower to produce one ton per day.

Most of the big pulp and paper mills in Canada have developed their own power. The mills themselves have installed h. p. turbines capable of producing 500,-000 h.p., and, in addition, pulp and paper mills buy an additional 225,000 h.p. from other stations. Thus nearly 25 per cent. of the total amount of power developed in Canada is used in this single industry.

It is a fortunate circumstance that Canadian water power resources are strategically located in a geographical sense close to the large pulpwood areas. This has made possible a more rapid development in the pulp and paper industry than would have been possible had it been necessary to bring power over long distances. The Abitibi Power and Paper Company has a significant name; it was primarily conceived to develop an important waterfall in Ontario, and has constructed one of the world's largest newsprint mills. In the St. Maurice Valley of Quebec, which is a hive of pulp and paper industry, there is ample power. In the comparatively undeveloped areas of lower Quebec much power is running to waste where timber reserves are also ample.

Ample water power available at low costs of production have contributed greatly to Canada's ability to compete favorably with the world in producing newsprint and other kinds of paper.

COAL EXPERIMENT OFF FOR A YEAR

Alberta Shipments Will Not Be Undertaken to East This Year

Coal shipments from Alberta to Ontario on the experimental basis proposed under a vote of federal Government assistance, will not be undertaken this year, after all. For lack of time in which to make the necessary arrangements the scheme will now have to wait over until another season.

That is the decision reached as an outcome of a conference here by Premier Greenfield with Hon. Charles Stewart and Sir Henry Thornton, when the whole situation was taken under review.

The premier pointed out that the local Government has had no information of any arrangements having been made at Ottawa to put into effect the plan of federal aid, which was conemplated in the passing of an appropriation of $200,000 among the supplementary estimates, and that until the Dominion authorities had taken action along that line nothing could be done at this end to set the coal in motion.

Assistance from the Dominion Government, such as that provided for in the vote passed by Parliament, would be conditional, said Mr. Stewart, upon the operators reducing their prices on the coal going east, the view at Ottawa being that the producers in Alberta must do something by way of keeping in the case, and must be willing to cut the price at the mine if the Government is to help pay the cost of transportation.

BELGIUM BUYS OUR ORE

TRAIL.—About 10,000 tons of ore concentrates and bar metals, roughly valued at more than $220,000, have been shipped to Antwerp, Belgium, by the Trail smelter of the Consolidated Mining and Smelting Company since the beginning of the present year.

NEWSPRINT TARIFF NO HELP TO U. S. A.

That Country Hasn't the Timber Anyway So Protection Would Be Useless

An American view of the Canadian newsprint industry's growth was recently given in the New York Evening Post. The Post pointed out that "however much some American industries may profit or lose from a European trade revival, we have one competitor nearer home which seems to be getting the better of us along one line. Canada steadily is supplanting the United States as the foremost manufacturer of newsprint paper on this continent."

"Consumption of newsprint in this country amounts to about 3,000,000 tons a year. In 1923 domestic output totaled 1,305,000 tons while that of Canada amounted to only 350,000 tons. In 1920, owing to the high prices, domestic production reached the record total of 1,512,000 tons, but last year it was only 1,485,000 tons, which is an increase of only 13.7 per cent. over 1913.

"Canadian output in this period has steadily expanded, reaching 1,253,000 tons last year. Whereas in 1913 Canada produced only slightly more than 20 per cent. of the total of the two countries, ten years later her output amounted to 46 per cent. of the total.

"Figures of production for the first five months of the current year show that Canada still is gaining rapidly on this country. In this period our mills report virtually no increase over the corresponding period of 1923, while Canadian mills show an increase of 11 per cent. Newsprint output in Canada for the five months was 567,482 tons, as against 629,615 tons in the United States.

"About 80 per cent. of the production of our northern neighbor comes to this country, which has no duty against this product, although there is a tariff on pulp. Newsprint manufacture in Canada also is stimulated by an embargo on the export of pulp wood from Dominion crown lands leased to our manufacturers. This embargo may be extended to include wood cut on free lands.

"In 1923 fourteen additional newsprint machines swelled Canadian production, and this year already has seen expansions and additions to existing plants. New mills are contemplated and in the course of erection. Meanwhile, foreseeing the time when they would either have to meet the enemy on his own grounds or go out of business, United States interests are showing an increasing tendency to obtain manufacturing facilities across the border, abandoning existing mills or adapting them to other uses.

"A few years ago Philip T. Dodge, chairman of the board of directors of the International Paper Company, the largest single factor in the industry, strove mightily to secure a tariff protection for newsprint. He warned that without protection of this sort the industry sooner or later would have to succumb to foreign competition. Failing in this, Mr. Dodge lost no time in acquiring mills and lands for his company in Canada.

"Canada's eventual supremacy appears to be inevitable. Newsprint manufacture requires an ample supply of timber. Available timber in this country is rapidly becoming exhausted, while Canada still has vast forests awaiting exploitation. A tariff might stem the tide for a while, but at best could help but a short time. In any event, it would be of use only provided pulpwood could be imported from Canada. Since we haven't got the raw material, we might as well bow to the inevitable."

CUT DYE PRODUCTION

Largest German aniline dye industry plans contemplate drastic curtailment of staffs, which may culminate in wholesale reduction of manufacturing activities on account of lack of business and money handicaps.

THE WATERMARK OF PAPER QUALITY

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CANADA'S FOREST CUT TWO BILLION FEET EACH YEAR

Loss of Trees by Fire and Fungi Brings This Up

QUEBEC IN LEAD

French-Canadian Province to the Front in Forestry Production.

From Our Own Correspondent.

THE increasing attention which is being given to the important subject of the conservation of our forest resources makes of great interest to all Canadians the following estimate of total forest production in Canada recently prepared by the Dominion Bureau of Statistics for the calendar year 1922. This estimate includes all unmanufactured material cut in the Dominion's forests and is the first attempt that has been made to estimate in detail the rate at which our forests are being exploited.

Saw logs for domestic use head the list as far as total value is concerned, with over $55,000,000 worth of material produced. Pulpwood for domestic use comes second with a total value exceeding $40,000,000. Firewood with $338,000,000, railway ties with $13,000,000, and pulpwood for export with over $10,000,000 are among the more important items. The total estimated value of all primary forest products is $170,850,096.

Additional Depletion Through Fire

As these products are measured by different units, the total quantity can only be estimated by referring them to a common measurement. In each case a converting factor is used which represents, in cubic feet, the quantity of standing timber required to produce the material in question. In this it has been estimated that the total output of these products in 1922 represented an equivalent volume of 2,377,845, 182 cubic feet of standing timber. Destruction of forest growth by fires, insects, fungi, and other destructive agencies, would probably bring the total depletion to more than five thousand million cubic feet per annum.

With regard to annual consumption for use, the production of firewood is the heaviest drain on our forest resources amounting in 1922 to almost nine million cords or an equivalent of almost eight hundred and fift million cubic feet of standing timber. Pulpwood for Canadian pulp and paper mills amounted to about three million cords, equivalent to about three hundred and fifty million cubic feet. Other products in order of importance from the quantity standpoint were, railway ties, pulpwood for export, logs for export, fencing material, mining timber, square timber for export, hardwood for distillation, poles, and miscellaneous products.

Quebec Leads in Forest Output

Quebec leads in forest production in both quantity and value of products. Ontario is next in importance, with British Columbia, Nova Scotia, and New Brunswick following in the order named.

The exportation of unmanufactured forest products from Canada in 1922 amounted to $19,550,672 and represented a total of 216,172,405 cubic feet of standing timber. This exported raw material formed about nine per cent. of the total forest production and was made up chiefly of pulpwood with smaller quantities of logs, square timber, railway ties, and miscellaneous products.

The quantity and value of primary forest products in 1922 by products and by provinces are given below:

BY PRODUCTS

Product.	Equivalent Volume in Standing Timber (M cu. ft.)	Total Value (M $)
Firewood	841,781	38,229
Ties	174,697	13,216
Poles	5,680	1,707
Posts	27,697	1,354
Rails	10,531	450
Mining Timber	15,436	1,721
Wood distillation	7,278	479
Logs sawn	746,410	55,066
Pulpwood used	340,775	40,376
Miscellaneous products	9,927	850
Sq. timber exported	12,076	1,492
Logs exported	40,622	3,271
Pulpwood exported	118,326	10,360
Miscellaneous exports	26,611	2,279

BY PROVINCES

	(M cu. ft.)	(M $)
Total for Canada	2,377,845	170,850
Quebec	794,951	56,982
Ontario	655,605	52,640
British Columbia	447,433	30,667
New Brunswick	200,993	15,628
Nova Scotia	107,605	7,090
Alberta	54,821	2,502
Manitoba	52,097	2,596
Saskatchewan	49,399	2,089
P. E. Island	14,942	667

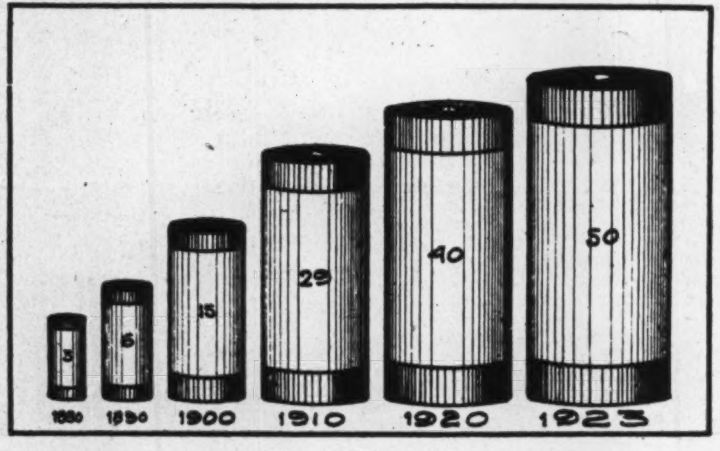
CONTINENTAL WOOD PRODUCTS

Continental Paper Products owns all of the share capital of Continental Wood Products.

Properties and Production.—At Elsas, Ont., situated on the Canadian National Railways, about 190 miles west of Sudbury, the Continental Wood Products Company, owns and operates a modern plant for the manufacture of lumber and lath with an annual capacity of 10,000,000 feet; also a wood preparing plant with an annual capacity of 30,000 cords.

Timber Holdings.—Continental Wood Products Company owns 48,013 acres of freehold timber lands. These freehold lands are estimated to contain 400,000 cords of spruce and other pulpwood. It also owns the rights to cut other timber. In addition, the company leases from the Ontario Government timber rights on 51,840 acres of land, conveniently located to mill at Elsas. Total timber holdings amount to not less than 300,000,000 feet of pine and spruce timber, including pulpwood.

U. S. Per Capita Consumption of Paper in Pounds



Canada Had 110 Mills Operating in 1923; Steady Increase Shown

Sixty-Seven Were Producing Paper—Over $400,000,000 Invested in Industry—Payroll Totals $38,000,000

A preliminary report of the pulp and paper industry for 1923 has been completed by the Forest Products Branch of the Dominion Bureau of Statistics. This report shows another step toward the complete recovery of this industry from the unsatisfactory conditions which prevailed during 1921. This industry increased steadily in importance from the establishment of the first paper mill in Canada in 1803, up to 1920, when the value of production reached its maximum. This was followed by a decided falling-off in 1921, but the figures for 1922 and 1923 show satisfactory increases. If the net value of production for the entire industry be considered as the sum of the value of pulpwood exported, pulp made for export and paper manufacturing, the total for 1923 will be $183,226,218 as compared to $152,209,711 for 1922; $157,426,587 for 1921 and $230,199,717 for 1920.

There were 110 mills in operation in 1923, as compared to 104 in 1922 and 100 in 1921. Of these mills, 43 manufactured pulp only, 32 manufactured both pulp and paper and 35 manufactured paper only. The 75 mills manufacturing pulp produced 2,469,305 tons of this material, valued at $98,886,110 in 1923 as compared to 2,150,251 tons at $84,947,598 in 1922, representing an increase of 14.8 per cent. in quantity. Of this total, 1,400,454 tons, valued at $42,633,826, were made in the combined pulp and paper mills for their own use in the manufacture of paper, 217,427 tons valued at $14,156,652 were sold to other paper mills in Canada and 851,424 tons valued at $42,095,632 were made for export.

The 67 mills manufacturing paper in 1923 produced 1,582,799 tons of paper which, with certain miscellaneous pulp products, were valued at $127,605,582, as compared to 1,366,815 tons in 1922 valued at $107,085,766, an increase of 15.8 per cent. in quantity. Newsprint made up 78.4 per cent. of the total paper production in 1923, amounting to 1,241,706 tons, valued at $92,482,843, as compared to 1,081,364 tons valued at $75,971,327 in 1922, an increase of 14.8 per cent.

The total number of employees on salaries and wages in 1923 in this industry was 29,179, and the total payroll was $38,305,157, as compared to 25,830 employees in 1922 with a payroll of $32,918,955.

The total capital invested in the industry in 1923 was $417,611,678, an increase of $36,605,334 or 9.6 per cent. of the capital of 1922.

The apparent total production of pulpwood in 1923 was 4,648,663 cords, valued at $57,029,212, of which 70.2 per cent. or 3,264,433 cords valued at $43,504,208 were manufactured into pulp in Canadian pulp-mills, and 29.8 per cent., or 1,384,230 cords, valued at $13,525,004, were exported to the United States in the raw or unmanufactured state.

These figures show an increase in the proportion of pulpwood exported from 25.8 per cent. of the total in 1922 to 29.8 per cent. in 1923. Domestic consumption has increased by 12 per cent. while exportation has increased by 36.9 per cent. No pulpwood has been imported into Canada for many years.

The total value of all materials used in pulp-making, including woodpulp, in 1923 was $51,139,042. The total value of the raw materials used in paper-making, including pulp, was $98,886,110.

The exports of woodpulp from Canada during the calendar year 1923 amounted to 873,359 tons valued at $47,027,496 as compared to 818,257 tons, valued at $41,037,849, in 1922, an increase of about 7 per cent. During the same period the imports amounted to only 17,238 tons valued at $947,225, a slight decrease from the imports for 1922.

The exports of paper and paper goods in 1923 were valued at $90,770,957, as compared to $74,825,893 in 1922, an increase of over twenty-five per cent. During the same period the importations of paper and paper goods were valued at $9,112,896, an increase of about ten per cent. over 1922. The exports were made up chiefly of newsprint paper, of which 1,137,962 tons, valued at $85,611,258, were exported in 1923. This exportation of newsprint exceeded that of 1922 by over eighteen per cent.

The total favorable trade balance resulting from the activities of the pulp and paper industry in Canada during 1923 amounted to $144,263,336, being made up of the value of pulpwood exported of $13,525,044, the difference between pulp exports and imports of $46,080,271, and the difference between paper exports and imports of $84,658,061.

Breaking Into the Export Business

By J. R. SPRAGUE,
In the Saturday Evening Post.

How much does it cost to get started in exporting? How long is it before foreign business can be put on a paying basis? Let us consider the experiences of one manufacturer who has made a success of exporting under present-day conditions.

This manufacturer's product is a certain accessory that goes into the making of automobile and carriage tops, his plant being in a small Pennsylvania town where he has been operating for about fifteen years. Starting in a small way he made very good progress in domestic business and for the past five years has been on Easy Street so far as his finances are concerned—that is, he has enough capital to go along comfortably, his local banks advancing him money whenever he needs it to buy materials or to carry the accounts of his customers.

During the slump of 1920 and '21 he lost money. Orders fell off to such an extent that for the better part of a year he ran his plant on half time and some of his best people drifted away, a discouraging situation for all concerned. During the war a few foreign orders had come to him unsolicited through New York general exporting houses, and last year when his affairs had again become normal he began to think seriously about trying for an over-sea market which might take up the slack of future domestic slumps. He was business man enough to realize that he could not jump into foreign business all of a sudden whenever things happened to get dull at home; to put it into his own words, he knew the time to mend a leaky roof was in fair weather and not after it started to rain.

He knew nothing about the details of selling goods abroad. but through the secretary of a manufacturers' organization to which he belongs he was put in touch with a man in New York who was open for an engagement as export manager. This man made a trip to the factory for a conference.

The first thing the manufacturer asked the export manager was, how much it would cost to get into exporting, and how long it would probably be before the export department would pay its own way. To this the export man replied that it would be time to look into such matters after an investigation had been made to determine whether or not the product would have a chance in foreign markets, because sometimes conditions are such that all the effort in the world will not make export operations profitable. The thing to do, he said, was to send to Washington and get from the Bureau of Foreign and Domestic Commerce a detailed report showing what quantities of automobile and carriage-top accessories were being imported into foreign countries, and where those countries were buying them from already.

In due time this report was received and the export manager was ready for another conference. The report stated that several European countries made practically the same products as the Pennsylvania manufacturer, not only supplying the European demand, but also exporting considerable. Territories like South Africa, South America and Australia were considerable users of the material, but did not manufacture it. The report also gave the amounts imported into each section of these territories.

"Basing my judgment on these figures," the export man told the manufacturer, "I see no reason why you haven't got as good a chance as anyone. I would not advise trying to break into the European market at first. because you would be handicapped by the ocean freight and by customs duties, but the rest of the world is open where you will be on an even footing. But before we go any further I want to ask you two questions: Will you be willing to stick to your export operations even though they do not show a profit for two or three years? And will you take care of export orders at all times, no matter how good business may be in the United States? There may come times, you know, when your customers at home can use all your products, and in such an event it will be a temptation to sell at home and let the foreigners slide."

To this the manufacturer replied that he meant business; that he did not expect to get rich in a day from foreign operations, and his main idea was to avoid such a period as he had experienced before when his factory was practically shut down and his employees were walking around needing work and not able to get it. That being settled, the next thing was to see how far the manufacturer's bankers would be willing to go; for, as I have said, the manufacturer was not a rich man, and all his available capital was tied up in his business.

The conference with the two local bank presidents started out rather unfavorably. Neither of them had ever financed foreign operations, and it appeared a risky business their customer was considering, where he would have to ship his product to strangers thousands of miles away and take his chances of getting paid. One of the bankers came out flatfootedly and said he could not see why the manufacturer should want to take such chances; that things were going all right and a pretty good policy was to let well enough alone.

The Stage All Set

The export man interposed at this point with the statement that the manufacturer would be taking no more chances in selling his goods on credit in foreign countries than he would be at home, provided he used the same common sense in selecting his customers, because in many cases it is easier to get reliable data about a business man's responsibility in a foreign country than at home. He called attention to the fact that not only are American credit agencies operating in foreign countries, but American export associations and large banks freely exchange credit information; and besides it is one of the functions of American consuls and commercial attachés everywhere to look into the financial responsibility of firms in their territories who are doing business with the United States. Faced with these facts the bankers concluded that the manufacturer might not be going off on a wild-goose chase and agreed to discount his foreign drafts in reasonable amounts on the same basis as though they were drawn on domestic customers.

Thus the stage was all set for the manufacturer's plunge into oversea trade, the export man agreeing to handle the foreign business on a basis of salary with a commission on sales: so the only thing left was to find customers to export to. The manufacturer had supposed he would have to go to the expense of sending out salesmen, but the export man showed where that item might be eliminated.

"If yours was a large corporation," he said, "and turning out a product that sold in great quantities, your best plan would be to establish your own branch offices in foreign cities and have your own selling organizations working out from those branches. But you aren't big enough to do that, and your product does not sell in large enough quantities to warrant it anyway.

"Discarding the idea of foreign branch offices, the next best way, probably, would be to send out a competent man who would travel through the various countries and appoint local selling agents, but this would take a good deal of time; for instance, a man could hardly cover South America alone in less than a year, during which time you would be putting out money without any coming in. Fixed as you are, the desirable thing is to get some business started as quickly as possible with as small expense as possible.

"Now there is a way to do this with practically no expense other than my salary and some postage. Let us see what kind of business men we want to get in touch with. The people who will ultimately use your product are mainly garage owners, automobile-top makers and carriage-body makers. Such people also are users of small tools and hardware specialties, and naturally they buy most of their supplies from the wholesale dealers of their communities. Naturally then, the wholesale hardware dealers are our logical distributors. The thing to do now is to send to Washington for a government list of foreign concerns that specialize in hardware and kindred lines, and go after the most desirable ones to act as our selling agents."

Another question arose when the government list arrived. Many foreign firms were listed as regular wholesale hardware houses which buy merchandise outright, keep it on hand in their warehouses and sell from the stock thus carried. Others were listed as manufacturers' agents who carry only samples and sell to the dealers on a commission basis, the manufacfacturer shipping direct to the various purchasers and collecting his money from them. Naturally the manufacturer thought it would be safer and altogether more desirable to do business with the regular wholesalers who bought goods outright than to tie up with commission agents who would merely sell the goods and then let the manufacturer collect his money himself from the retail dealers. Here again the export manager's experience came into play.

"I know it would be more comfortable," he said, "for you to do business with a single representative firm in some foreign country, shipping your goods in larger lots and getting your pay all at once. But let's look at it from a plain United States standpoint. If you were going into Texas for the first time, for instance wouldn't you rather have a lot of small accounts on your books, fellows who would be sending in little orders all the time, than a single big dealer who would buy perhaps once or twice a year? Of course it is more work to handle so many small accounts but it also gives you a chance to spread your manufacturing out throughout the year. Even it is better from a credit standpoint. The one big concern, no matter how strong it is, may get into trouble, in which case you have all your money tied. But it is inconceivable that a hundred little concerns would ever get into trouble all at the same time; some of them will always be solvent and able to pay their bills promptly. Remember, too, we aren't going to sell goods blindly in foreign countries any more than we would at home. We will have accurate credit data and look up every man before we ship him anything."

The manufacturer was finally convinced as to the desirability of having many small accounts on his books rather than a few big ones, and the export manager started on his campaign to appoint selling agents. Taking the government list for Argentina he found about twenty firms in Buenos Aires named as manufacturers' agents and specializing on hardware lines. To each of these he wrote a personal letter in correctly translated Spanish, describing the product his factory makes, and stating that a responsible agent was desired to handle the product in Argentina.

In reply to his twenty letters he received answers from several firms stating their willingness to handle his line on a commission basis and inclosing references as to business standing and integrity. One of these firms appeared to stand out from the others in the amount of business it was doing and its financial responsibility, but there was one drawback. In his letters the export manager had expressly stated that any firm applying for the agency should name in detail all the other factory lines it might be handling; and on the list forwarded by this particular firm was the name of a European manufacturer who makes a product similar to the one the export manager was himself promoting.

Profitable Results

In spite of all other considerations the export manager discarded the application of the outstanding Buenos Aires manufacturers' agency, and in discussing it he said this:

"They might have been all right and really desirous of handling two lines of automobile and carriage-top accessories, but I have been in the business long enough to know the danger of placing my line with any firm that sells a competing product. More often than not it is a scheme to get hold of a line merely to keep someone else from handling it; to kill it in the territory."

For Argentina, therefore, the export manager gave his agency to the second strongest firm, and believes he acted wisely. Then, using his gov-

(Continued on page 43)

PROVINCIAL PAPER MILLS
LIMITED

Largest Manufacturers in Canada of Book Papers. Also Manufacturers of High Grade Bleached Sulphite Pulp.

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PULP AND PAPER EXPORTS HOLDING AT HIGH LEVELS

Pulp Shipments Down, But Paper Exports Still Are Growing

Canadian exports of paper are being well maintained this year.

According to the report issued by the Canadian Pulp and Paper Association, the total value of the exports of pulp and paper from Canada in July amounted to $11,365,441, which was an increase of $283,684 over the total for the previous month.

Compared with the month of July, 1923, the total value decreased by $701,000, the increase in the value of paper exported being more than offset by a decline in the exports of wood-pulp.

Following are details for the principal items for July, 1924, and for the corresponding month of 1923:

July, 1924	Tons	Value
Paper:		
Newsprint	105,133	$7,863,563
Book paper (cwts.)	2,961	24,965
Writ. paper (cwts.)	2,179	24,034
Wrapping	2,250	335,035
All other	.....	366,753
		$8,614,350
Pulp:		
Mechanical	14,783	$ 445,692
Sulphite, bleached .	12,058	934,073
Sulphite, unbleached	16,186	846,391
Sulphate	9,205	524,935
	52,232	$2,751,091

July, 1923	Tons	Value
Paper		
Newsprint	92,959	$7,045,653
Book paper (cwts.)	2,571	17,859
Writ. paper (cwts.)	1,901	16,351
Wrapping	1,643	253,823
All other	.....	361,992
		$7,695,678
Pulp:		
Mechanical	34,047	$1,086,511
Sulphite, bleached .	12,590	1,104,668
Sulphite, unbleach.	24,819	1,361,175
Sulphate	12,468	818,787
	83,924	$4,371,141

The Seven Months' Record

For the first seven months of the current year, there was an increase in the value of our pulp and paper exports of $862,849 over the corresponding months of 1923. The exports of paper in this period were valued at $58,465,630 compared with $53,910,231 in 1923, and the exports of pulp at $22,022,817 compared with $26,435,367, or an increase of $5,275,550 in the value of paper exported and a decrease of $4,412,550 in the exports of pulp.

Quantities and values of the various grades of pulp and paper exported for the seven months ending July 31, were as follows:

Seven Months, 1924	Tons	Value
Paper:		
Newsprint	710,418	$53,528,417
Wrapping	12,930	1,915,036
Book, cwts.	12,508	100,976
Writing, cwts.	9,449	100,955
Paper board	.....	2,093,499
All other	.....	726,747
		$58,465,630
Pulp:		
Mechanical	107,349	$3,557,505
Sulphite, blchd. ...	94,075	7,118,419
Sulphite, unblchd.	121,259	6,380,957
Sulphate	84,614	4,965,936
	407,297	$22,022,817

Seven Months, 1923	Tons	Value
Paper:		
Newsprint	643,724	$48,471,271
Wrapping	12,152	1,838,072
Book, cwts.	29,256	192,404
Writing, cwts.	15,018	150,444
Paper board	.....	1,807,690
All other	.....	730,350
		$53,190,231
Pulp:		
Mechanical	172,225	$ 5,656,137
Sulphite, blchd. ..	95,894	8,420,645
Sulphite, unblchd.	130,619	7,035,472
Sulphate	81,419	5,323,113
	480,157	$26,435,367

What Water Power Means to Canada

The advantages of water power may be briefly summarized thus:

1. It is a native raw material and industry.
2. It is a non-depletable and inexhaustible source of power and heat.
3. It offers proved certainty as to practical application and financial success.
4. It is the source of power requiring the minimum of labor and therefore giving the maximum security against labor troubles.
5. It gives the maximum relief to transportation.
6. With a few local exceptions it is by far the cheapest power available.

The value of water power lies in its cheapness, not in a high selling value. For instance with wheat, lumber, pulp, etc., the higher the price the greater the "value of the product" and the greater the value to the country on account of large export trade, but with water power the lower the price the greater is the assistance to a low cost of production in all other lines of manufacture, for both home consumption and export, and therefore the greater the benefit to the country.

A reasonable estimate of the national value of water power is that it is at least the cost of coal to produce the same amount of power if the water power had not been developed.

This, as before shown, is $290,000,000 per annum, practically all of which would have to be sent abroad annually if we had no water power — pro-rata for 1930 it will be nearly $500,000,000. The coal consumption per capita is nearly 30 per cent. less in Canada than in the U.S.A., due mainly to the greater use of water power in industries.

But for the water power developed, Ontario and Quebec (the acute fuel area) would now require about twice their present coal supply.

The real fuel problem of Canada is the supply of coal to Ontario and Quebec. It has been shown that but for water power development these provinces would now be using nearly twice the present amount of coal, and to this great extent the difficulty is already diminished. The more water power is developed the less coal will be required, but no matter how much water power is developed the total fuel required will tend to increase.

As a substitute for fuel power, water power possesses no uncertain factors—it is inexhaustible, it is universally acceptable wherever available and as a financial investment its soundness has been proved beyond question.

Either Protect Forests or See Our Paper Industry Dwindle

By R. O. SWEEZEY.

The pulp and paper industry in Canada uses up about (4,000,000) four million cords of pulpwood yearly. In addition to this, one million cords yearly are exported to the United States.

The forests of Quebec and Ontario together contain about four hundred million cords of spruce and balsam pulpwood. It is quite safe to say that nature replenishes its forest wealth at the rate of two and one half per cent. yearly in Ontario and Quebec. This natural replenishment of course is dependent upon the ripened forest crop being removed continuously, and in accordance with a sound, workable plan. Gradually we in this country, are struggling towards a proper plan of operation, but the process is slow. The blame is not easy to place. Economic conditions, insufficient data, over-enthusiastic foresters, and a number of other causes, contribute to the chaos. Another troublesome problem is the relation of forest areas to arable land areas, and the lack of proper classification. This in turn leads to our greatest problem, fire.

If we can only concentrate sensibly enough upon this problem of eliminating fire, I am quite certain that we can more than double our present output of pulp and paper without danger of eventually running out of forest supplies. On the other hand, if we don't control the fire hazard we will see a decline in our pulp and paper production beginning about fifteen or twenty years hence, with the industry ending in disaster within forty years.

But, I believe, we can and shall control forest fires. Governments that never move on a national problem until kicked into it are now awakening and are showing a sincere desire to solve the problem, but there is a lack of experienced men who can understand the fundamental causes of this serious menace, and, in consequence, the application of remedies is sometimes, or, indeed, too often, ludicrous. Our technical and popular bodies in forestry matters have been loud in denunciation of forest waste, but they have offered little, if any, sound advice on methods of control. If a little more attention were paid to the promiscuous burning of slash by settlers, these same settlers, who are our log operators and woodsmen, would learn right at their own door step that they must be careful with fire in or near the forest.

I regret to say that in spite of all the noise, both Quebec and Ontario forest rangers are even at this moment far too lax in permitting the burning of slash.

BREAKING INTO THE EXPORT BUSINESS

(Continued from page 42)

ernment list, he canvassed the other South American countries, finding, he believes, suitable sales agents in all, but taking the precaution everywhere to make contracts limited to one year, the idea being that a year is long enough to find out if the agency is an active one, but short enough so no great harm is done in case a reasonable amount of business is not forthcoming. He did not altogether stick to his plan of appointing manufacturers' agents as his representatives, because in the export business there are no rules that ought not to be broken occassionally. In one South American country, and in Australia, he happened to get in touch with exceptionally strong wholesale firms to whom he gave his line.

It was early in January of this year that the export manager sent out his first letters, and his first actual order came in March. By June a fairly steady trickle of business was coming in, enough to pay the running expenses of the export department. In six months, therefore, the manufacturer was established in oversea trade, and all it had cost him was the salary of his export manager, together with about sixty dollars a week spent on postage and cables—probably no more money than it would have cost to break into a new territory in the United States. He figures in another year to be selling 10 or 15 per cent. of his product abroad, which wil insure against another such disastrous time as he went through two years ago.

The foregoing story represents an exceptional achievement, for, of course, everyone cannot expect paying results from exporting in less than six months. It is doubtless true that this manufacturer helped his cause by going into his foreign operations with an open mind, willing to be shown and anxious to give his foreign connections the same service that he gives his domestic customers. Sometimes oversea operations fall flat because the would-be exporter wants to do things abroad that he would not think of doing at home.

GREAT LAKES PULP

J. H. Black, president of the Great Lakes Pulp and Paper Company, Fort William, Ont., says that he is not in a position just now to make an announcement concerning the proposed construction of a large newsprint mill in connection with their present Fort William enterprise, beyond the fact that the financing is proceeding satisfactorily and that the proposition is likely to be consummated any day now. Mr. Black states that the company's groundwood plant at Fort William is operating steadily and turning out 125 tons of groundwood a day. A considerable portion of this is going to the Fort Frances plant of the Fort Frances Pulp and Paper Co. to keep their mill running, which is experiencing some trouble from power shortage.

CONTINENTAL PAPER AND BAG

Continental Paper & Bag mills owns all the share capital of the Continental Paper Products.

Production and Properties.—The company's plant is located at Ottawa, Ont., in a modern building of up-to-date mill construction, with sprinkler systems, etc., possessing excellent shipping facilities through its own railway siding connected with the Grand Trunk Railway. The plant has a capacity in excess of 10,000,000 paper bags, sacks and envelopes weekly and is one of the largest of its kind in Canada. A full line of hand-folded paper specialties is also manufactured. A complete paper box and carton department, with printing plant, are installed, and also cup-making machinery, manufacturing the well-known "Lily Cup."

Earnings.—Net earnings of Continental Paper Products, for the four years 1919 to 1922, after deduction of operating and maintenance expenses, and available for interest, depreciation and profit taxes, were as follows: 1919, $117,419; 1920, $152,146; 1921, $89,221; 1922, $105,089, an average of $115,969 per annum available for payment of annual interest charges of $48,750 on its bond issue.

A Big Market for Machinery

In Canada, the business of making wood-pulp and paper of various kinds, represents an investment of close to $400,000,000 and it is the most important single manufacturing industry we have. In the capital invested it leads any other industry; in the annual value of the products it is rapidly approaching first place; in the value of the products exported it is far ahead of any other industry.

Such an industry is bound to have an enormous purchasing power. Pulp and paper mills have put $350,000,000 into plant and equipment in the past ten years, over $100,000,000 of it in machinery alone. The purchases of new equipment and supplies for enlarged operations will continue to be upon a very broad scale.

The pulp and paper industry is a big market for many manufacturers and distributors. But it is a hard market to sell to. There are only 104 companies all told, as against more than 3,000 plants in the metal industries with an annual output below that of the pulp and paper industry and more than 1,250 milling establishments turning out about the same quantity of goods. The purchasing power of the pulp and paper industry is concentrated in the hands of a few important key men.

The Financial Post reaches a surprisingly large proportion of the leaders in the pulp and paper industry in Canada.

Laurentide Company Limited

Annual Report

For the Year Ended June 30th, 1924

To the Shareholders:—

The net profits for the year ending June 30th, 1924, were $3,551,590.61, which, after deducting interest and other charges amounting to $318,876.49, and reserves for taxes, depreciation and depletion amounting to $1,148,189.77, leaves the sum of $2,084,524.35.

During the year the Company has added to its timber reserves, and has increased its working capital through the necessity of cutting a large amount of wood which was affected by the fires of the previous summer.

The mills have been operating on a curtailed basis since January 1st, due to a slight over-production in the industry. This condition will continue until the growth of demand absorbs the new production which is being put on the market.

For the Directors,
GEORGE CHAHOON, JR.,
President.

Laurentide Company, Limited

WORKING ACCOUNT

For Twelve Months Ending June 30th, 1924

Profits from Newsprint, Board, Sulphite and Ground Wood		$3,058,350.42
Profits from Miscellaneous		85,489.07
Income from Investments		407,751.12
		$3,551,590.61
Deduct:—		
Interest and Other Charges.......	$ 318,876.49	
Reserve for Taxes, Depreciation and Depletion	1,148,189.77	
		1,467,066.26
		$2,084,524.35

PROFIT AND LOSS ACCOUNT

By Profits for year		$2,084,524.35
To Dividend on Capital Stock:		
Oct. 1st, 1923..................	$432,000.00	
Jan. 2nd, 1924..................	432,000.00	
Apr. 1st, 1924..................	432,000.00	
July 2nd, 1924..................	432,000.00	
		1,728,000.00
Carried into Surplus		$ 356,524.35

BALANCE SHEET AS AT JUNE 30th, 1924

ASSETS

Fixed:—		
Mills, Buildings, Plant, Machinery, Timber Limits and Real Estate..	$26,886,509.26	
Less:—		
Reserve for Depreciation and Depletion	2,791,633.51	
		$24,094,875.75
Current:—		
Investments	$5,191,488.15	
Cash on Hand and in Banks.......	37,336.14	
Accounts Receivable	961,639.97	
Logs and Logging Supplies	4,255,644.21	
Mill Supplies	866,619.14	
Merchandise Miscellaneous	171,518.06	
		11,484,245.67
Insurance Premiums Unexpired		69,525.06
Deferred Charges to Operations..................		87,781.77
		$35,736,428.25

LIABILITIES

Common Stock:—		
Authorized	$35,000,000.00	
Less Unissued	6,200,000.00	
		$28,800,000.00
Current:—		
Common Stock Dividend due July 2nd	$ 432,000.00	
Accrued Wages	201,772.30	
Bank of Montreal	2,764,000.11	
Bills Payable	39,751.78	
Accounts Payable	829,924.43	
Unpaid Dividends	6,605.00	
Reserve for Income Tax	318,049.67	
		4,592,103.29
Contingent and Miscellaneous Reserves.............		237,168.51
Surplus as at June 30th, 1923......	$1,750,632.10	
Surplus for year	356,524.35	
		2,107,156.45
		$35,736,428.25

Indirect Liability, for Customers' Paper under Discount, $289,697.39.

Contingent Liability, for Guarantee of Bonds of Laurentide Power Co., Ltd., $1,434,000.00.

Approved on behalf of the Board,
CHARLES R. HOSMER,
EDWIN HANSON,
Directors.

AUDITOR'S REPORT

To The Shareholders, Laurentide Company, Limited—

I have examined and audited the books and accounts of your Company for year ending 30th June, 1924, and beg to state that I have obtained all the information and explanations required, and in my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs according to the best of the information and explanations given to me, and as shown by the books of the Company.

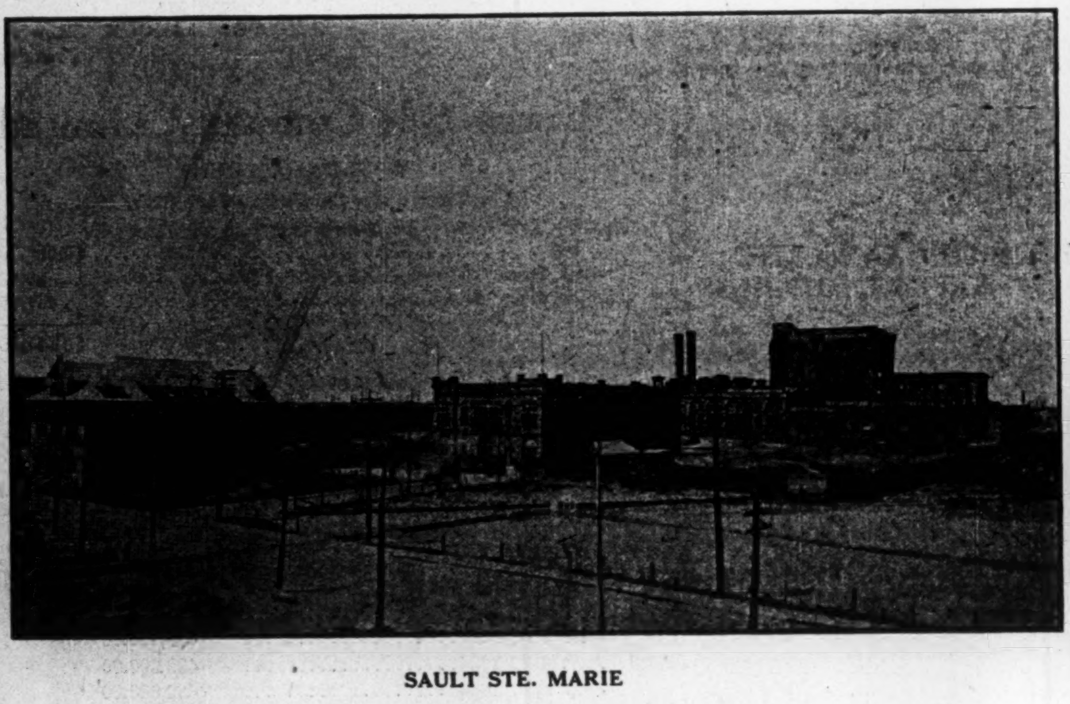
The total amount of investments, $5,191,488.15, as shown in Balance Sheet, is less than market value.

The various securities held, cash on hand, and the various Bank balances have been duly verified.

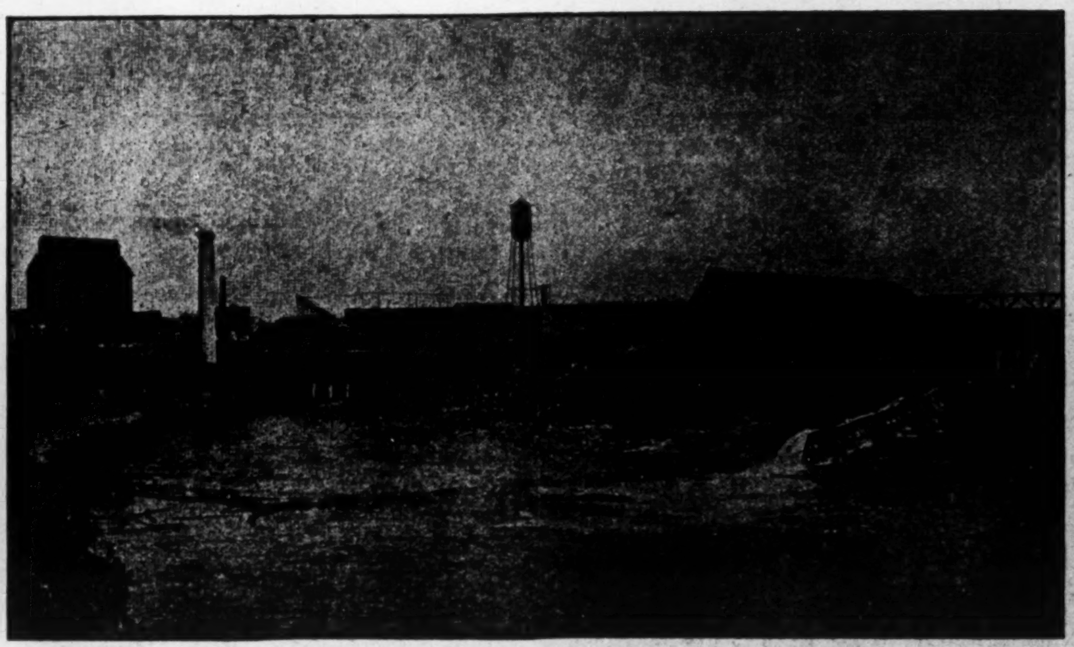
Respectfully submitted,
Montreal, August 23rd, 1924.
A. W. STEVENSON, C.A., F.C.A. (Can.)
Auditor.

An Assurance of Prompt Service

From the Three Substantial Plants Pictured Below



SAULT STE. MARIE

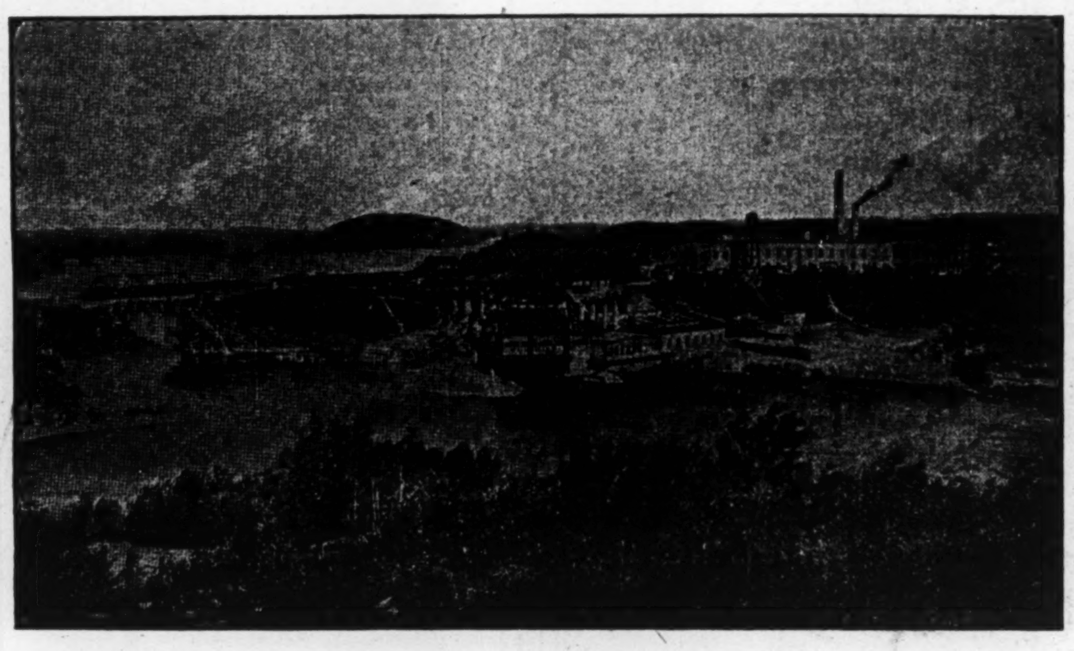


STURGEON FALLS

The Sault Ste. Marie Plant Has a Daily Output of 250 Tons of Newsprint and 485 Tons of Sulphite Groundwood and Board

The Plant at Sturgeon Falls Produces 130 Tons of Newsprint Daily, and 230 Tons of Sulphite and Groundwood

Spanish River produces daily 700 Tons Newsprint



ESPANOLA

Spanish River has an annual output of 210,000 Tons Newsprint

The Plant at Espanola Has an Outturn of 320 Tons Newsprint and 260 Tons of Groundwood

The Spanish River Pulp & Paper Mills, Limited

SAULT STE. MARIE, CANADA